

INDUSTRY OVERVIEW

PACKAGING & LABELING



PACKAGING & LABELING INDUSTRY KEY TAKEAWAYS

□ Industry Demand Drivers

- **Consumer Spending:** Revenue for the Packaging and Labeling Services industry generally fluctuates in line with consumer spending trends, as industry operators earn most of their revenue from contract package and labeling services provided to fast-moving consumer goods (FMCG) and pharmaceutical product manufacturers. As US consumption has risen for the majority of the period, manufacturers have expanded their production, thereby increasing the number of products that need to be packaged and thus increasing demand for industry services.
- **Aging Population:** Growth in the number of adults aged 65 and older is also expected to drive growth for pharmaceutical products that will require packaging services.
- **Pharmaceutical Regulation:** Along with the growing aging population, as implementation of the Drug Chain Security Act (DSCSA) continues, this will drive demand for industry services as pharmaceutical manufacturers seek to become more operationally efficient in light of already-increasing costs.
- **E-Commerce Sales:** E-commerce sales represent a growing segment of total retail sales. In general, higher reliance on e-commerce tends to reduce the number of physical locations that companies maintain as they seek to compete for higher-margin online sales. As a result, these companies are more likely to outsource packaging and labeling services. In 2020, e-commerce sales are expected to increase, posing a potential opportunity for industry operators.

□ Global Packaging & Labeling Market

- **Outlook:** Over the next five years to 2025, IBISWorld anticipates that the industry will continue growing. As of writing, the declining economic climate due to the COVID-19 pandemic are expected to remain confined to 2020 and not extend past it. As disposable income and consumer spending growth returns, demand for industry services is anticipated to pick back up. Industry revenue is projected to increase at a CAGR of 1.9% to \$10.2 billion in 2025.
- **Industry Structure:** Larger, vertically integrated industry operators can benefit from economies of scale by maintaining package-manufacturing segments alongside actual packaging services. This integration aids in controlling input prices and enables industry operators to better meet clients' packaging preferences. For example, this has enabled industry operators to tailor their products to match current trends, such as the use of sustainable materials and package designs that are flexible and space efficient.

PUBLIC COMPS

Company Name	Share Price	52 Week Range	Market Cap	Enterprise Value	Multiples		
					TTM EV/ Sales	TTM EV/ EBITDA	
Ball	\$ 81.53	51.26-84.73	\$ 26,451,920	\$ 30,173,863	2.7x	16.1x	
Crown Holdings	\$ 74.62	42.97-80.57	\$ 10,048,122	\$ 17,414,408	1.5x	10.6x	
Owens-Illinois Packaging Corporation	\$ 11.31	4.31-15.64	\$ 1,776,740	\$ 7,006,011	1.1x	6.0x	
Westlake Chemical	\$ 103.44	71.05-114.78	\$ 9,816,373	\$ 11,345,109	1.7x	8.4x	
WestRock	\$ 63.10	28.99-75.65	\$ 7,926,890	\$ 10,635,629	1.4x	8.1x	
	\$ 32.12	21.50-44.39	\$ 8,274,611	\$ 17,560,146	1.0x	5.8x	
				Low	\$ 7,006,011	1.0x	5.8x
				Median	\$ 14,379,759	1.5x	8.2x
				High	\$ 30,173,863	2.7x	16.1x

*All values in thousands, except for share prices and multiples.

*Share price and 52-week range as of 09/11/20



PUBLIC COMPS

TTM Data

Company Name	Sales	EBITDA	Gross Margin	EBIT Margin	EBITDA Margin	Revenue Growth%	Full-Time Employees	Revenue/FTE
Ball	\$ 11,258,000	\$1,869,000	20.3%	11.9%	16.6%	-2.5%	18,300	\$ 615.19
Crown Holdings	\$ 11,321,000	\$1,639,000	19.6%	11.8%	14.5%	-3.2%	33,000	\$ 343.06
Owens-Illinois	\$ 6,277,000	\$1,163,000	16.0%	10.7%	18.5%	-7.2%	27,500	\$ 228.25
Packaging Corporation	\$ 6,721,000	\$1,351,000	22.1%	14.1%	20.1%	-4.7%	15,500	\$ 433.61
Westlake Chemical	\$ 7,590,000	\$1,317,000	14.1%	7.5%	17.4%	-9.9%	9,430	\$ 804.88
WestRock	\$ 17,758,900	\$3,023,600	19.5%	8.6%	17.0%	-0.6%	51,100	\$ 347.53
Low	\$ 6,277,000	\$ 1,163,000	14.1%	7.5%	14.5%	-9.9%	9,430	\$ 228.25
Median	\$ 9,424,000	\$ 1,495,000	19.6%	11.2%	17.2%	-3.9%	22,900	\$ 390.57
High	\$ 17,758,900	\$ 3,023,600	22.1%	14.1%	20.1%	-0.6%	51,100	\$ 804.88

* All values in thousands, except for full-time employees

PACKAGING & LABELING SERVICES INDEX Vs. S&P 500



DCA Packaging & Labeling Services Index: BLL, CCK, OI, PKG, WLK, WRK

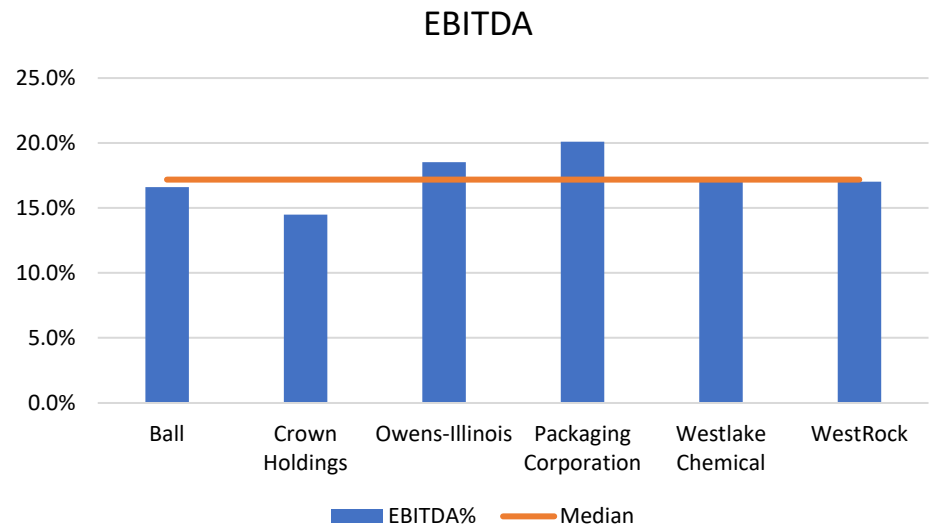
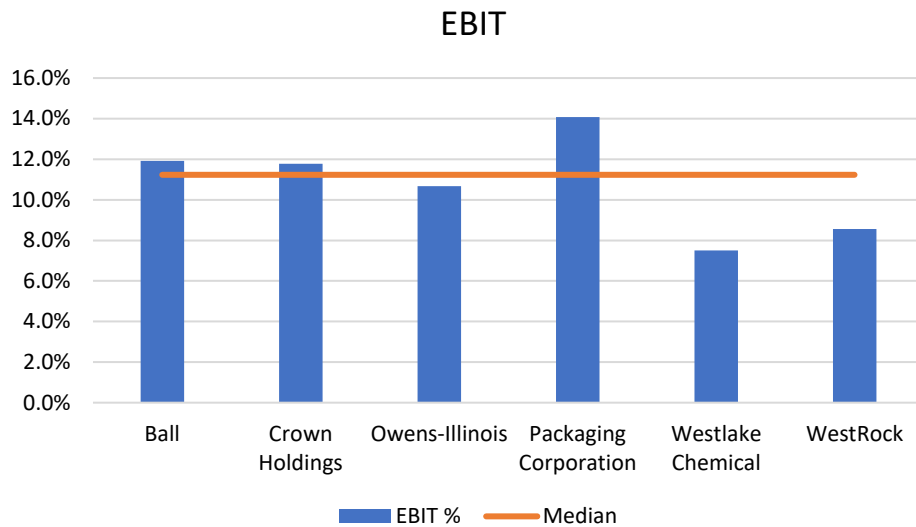
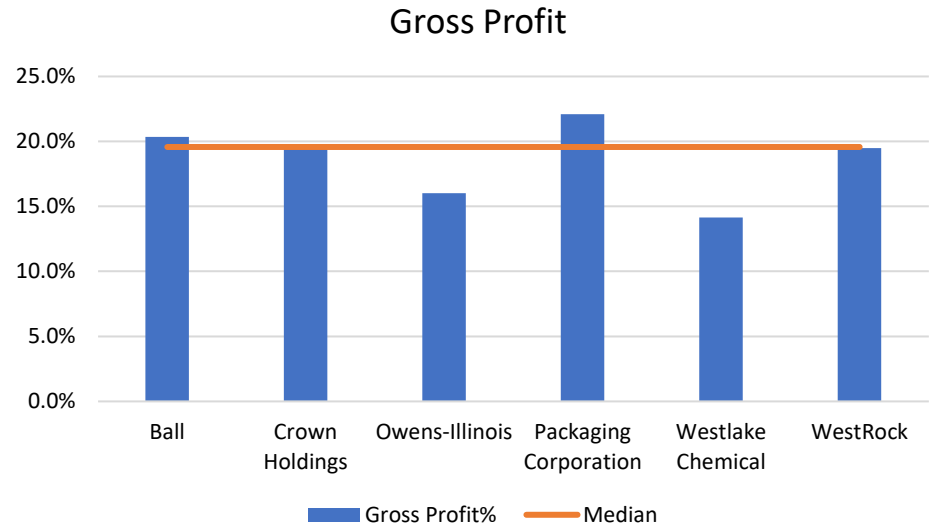
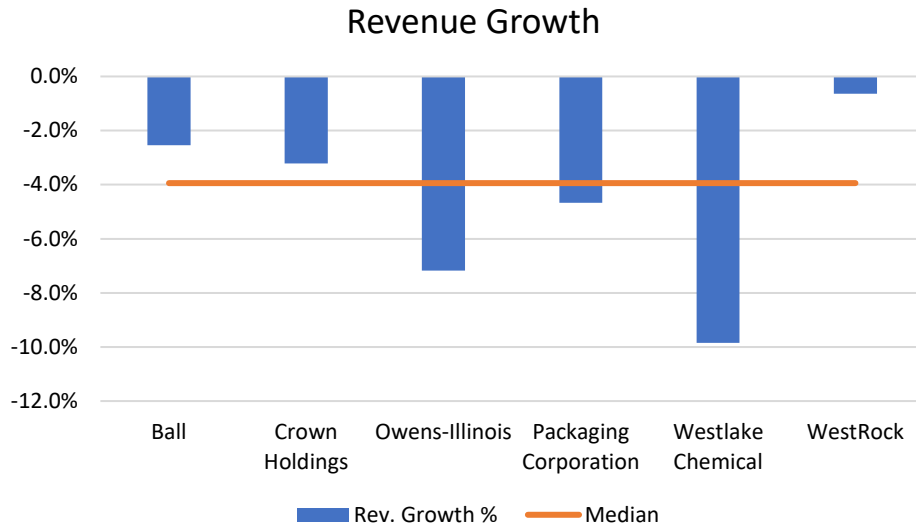
RECENT PRIVATE TRANSACTIONS

Date	Target Description	Deal Value	EBITDA	Revenue	DV/EBITDA	DV/Revenue
29-May-2020	Packing and Shipping Business	\$200,000	\$51,026	\$455,705	3.9x	0.4x
05-Dec-2019	Packing and Shipping Services	220,000	24,304	286,694	9.1x	0.8x
20-Sep-2018	Label Manufacturing	1,452,209	392,259	1,101,400	3.7x	1.3x
18-Oct-2017	Provides Packaging Services	579,452	82,742	8,577,930	7.0x	0.1x
31-Jul-2017	Pack and Ship Store	175,000	32,023	1,315,644	5.5x	0.1x
05-May-2017	Sorting, Labeling, and Repackaging	565,000	273,000	823,000	2.1x	0.7x
			Low	\$ 286,694	2.1x	0.1x
			Median	\$ 962,200	4.7x	0.6x
			High	\$ 8,577,930	9.1x	1.3x

RECENT PUBLIC TRANSACTIONS

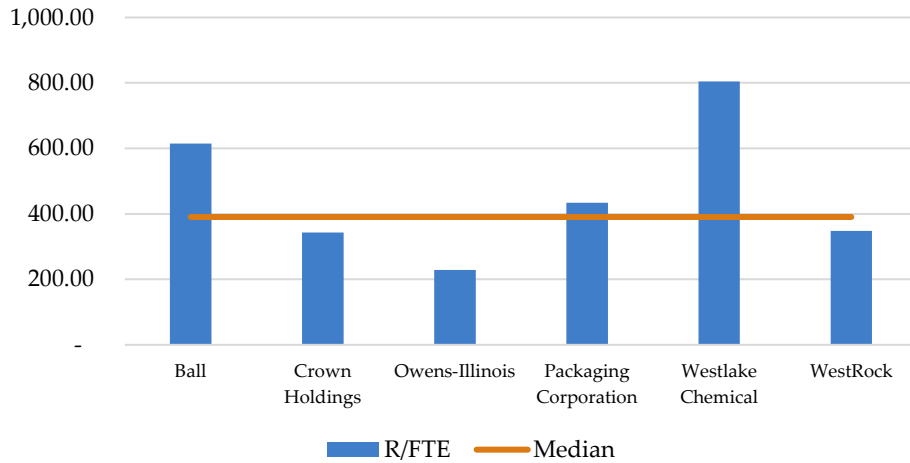
Deal Date	Seller	HQ Location	Acquiring Firm	Deal Size (\$mm)
27-Feb-2020	DS Smith Plastics	Romeoville, IL	Liqui-Box, Olympus Partners	585.00
01-Aug-2019	Automated Packaging Systems	Streetsboro, OH	Sealed Air (NYS: SEE)	510.00
10-Feb-2020	Verso (Specialty Paper Business)	WI	Lindsay Goldberg, Pixelle Specialty Solutions	400.00
17-Jun-2019	Amcor (Three Manufacturing Facilities)	Milwaukee, WI	Genstar Capital, Tekni-Plex	215.00
09-Aug-2019	Corenso Holdings America	Wisconsin Rapids, WI	Sonoco (NYS: SON)	110.55
02-May-2019	J&L Fiber Services	Waukesha, WI	Valmet (HEL: VALMT)	57.26
31-Jan-2020	Quad/Graphics (Folding Carton Business in Omaha)	Omaha, NE	Graphic Packaging (NYS: GPK)	42.00
23-Apr-2019	DaniMer Scientific	Bainbridge, GA		30.00
31-Dec-2019	Hoover Container Solutions	Houston, TX		20.76
22-Jan-2020	DaniMer Scientific	Bainbridge, GA		10.99
18-Mar-2019	DaniMer Scientific	Bainbridge, GA	Advantage Capital	6.50
14-Apr-2020	API Americas (Laminating and Coating Facility in Osgood, Indiana)	Osgood, IN	Case Paper	6.00
07-May-2019	Pier Mobile Storage	Corbin, KY	Pac-Van	1.72
04-Apr-2019	AC Packaging	Rochester, NY	Orcon Industries	
03-Feb-2020	AmeriGraph Packaging Group	Atlanta, GA	General Data	

OPERATING METRICS

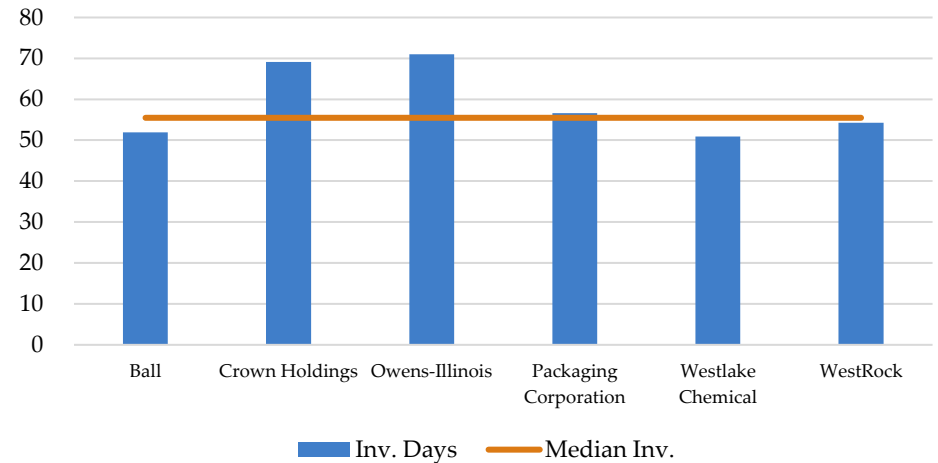


RATIO ANALYSIS

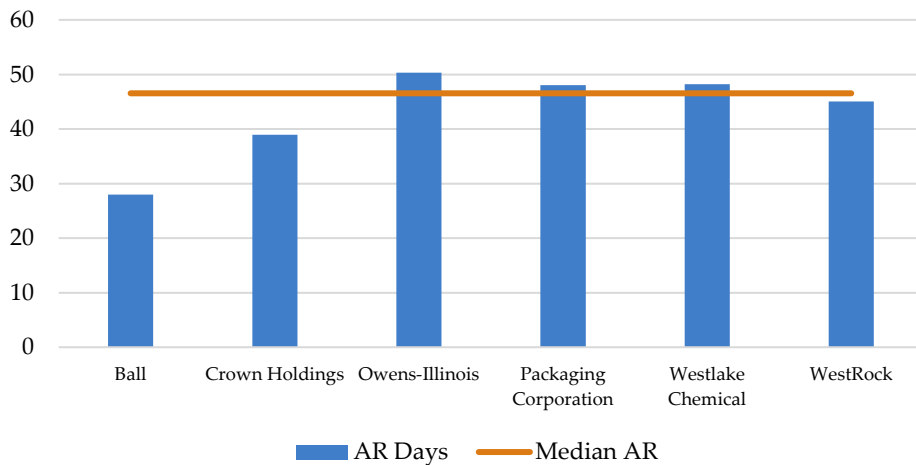
Revenue per Employee*



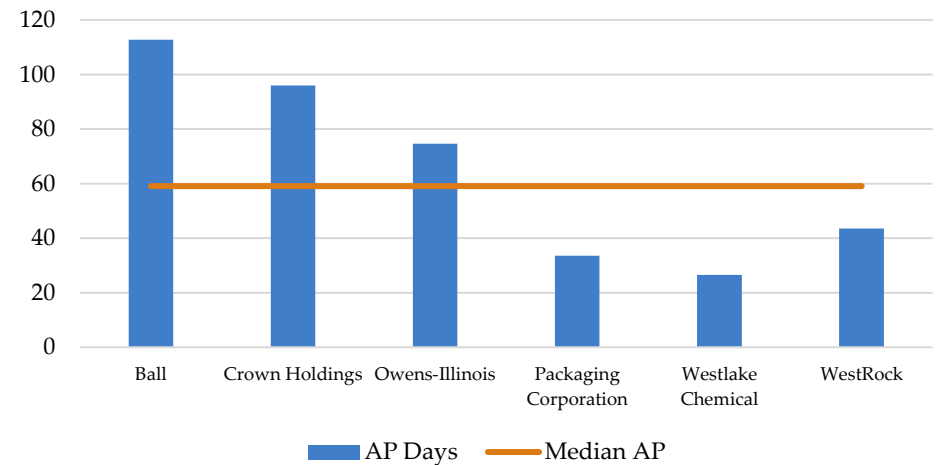
Inventory Days



AR Days

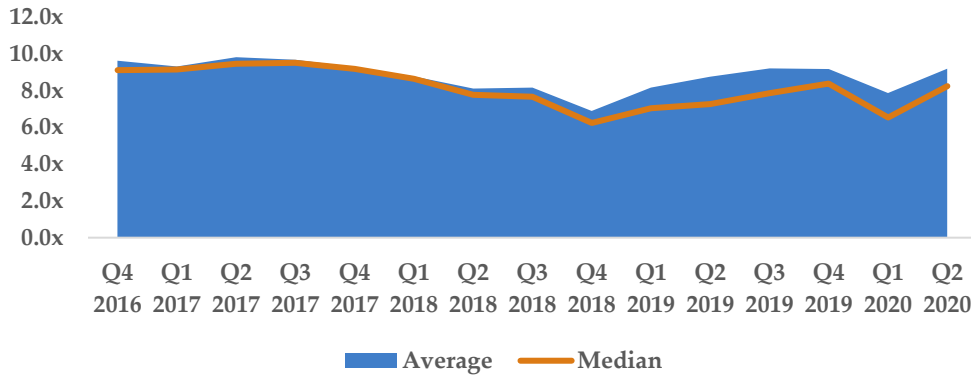


AP Days

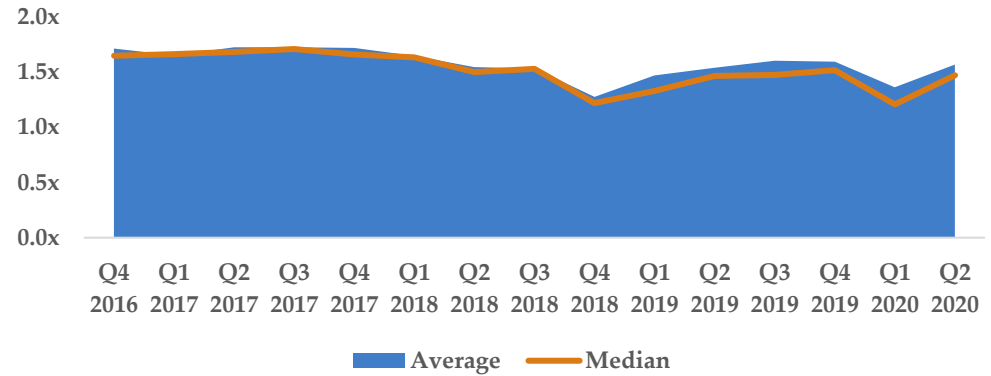


VALUATION TRENDS

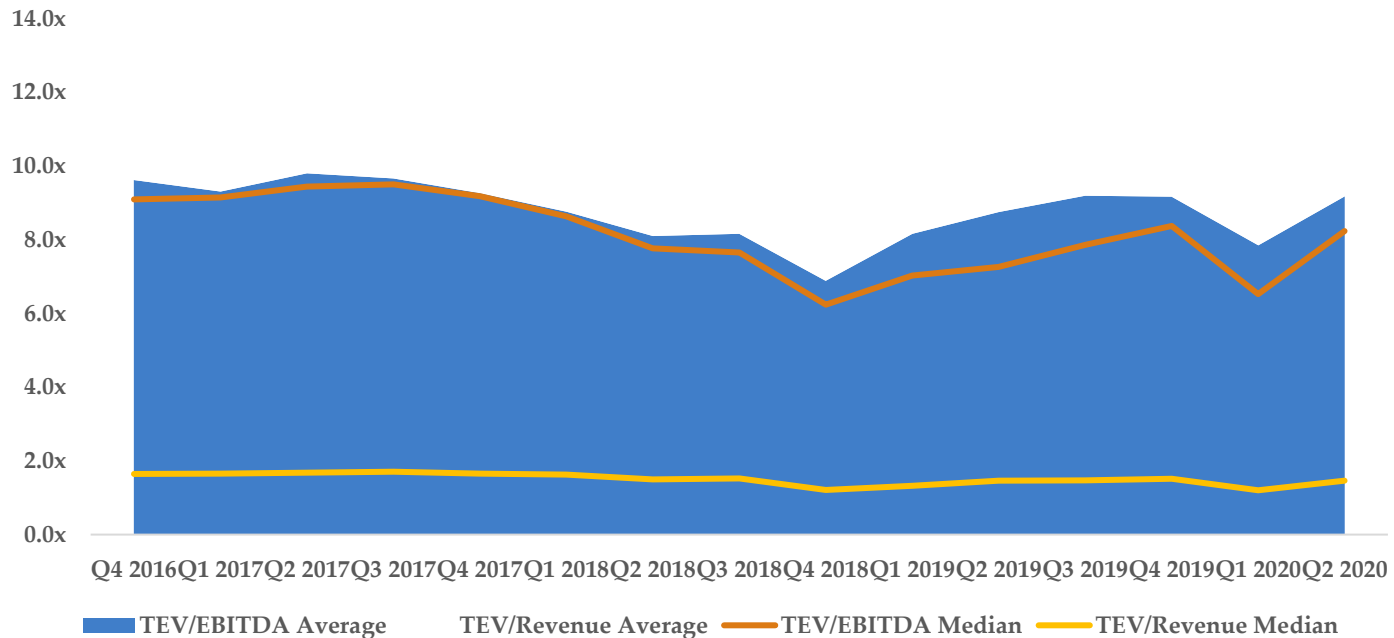
Public EBITDA Multiples Over Time



Public Revenue Multiples Over Time



Public Comps Valuation Trends

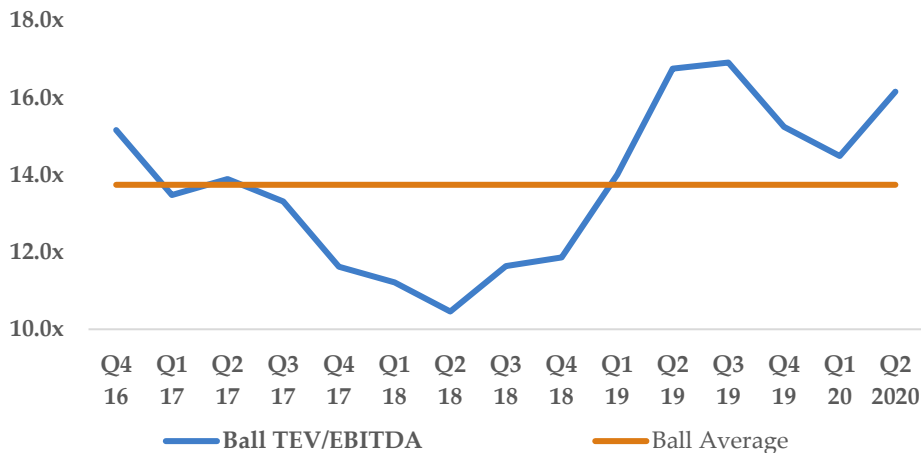


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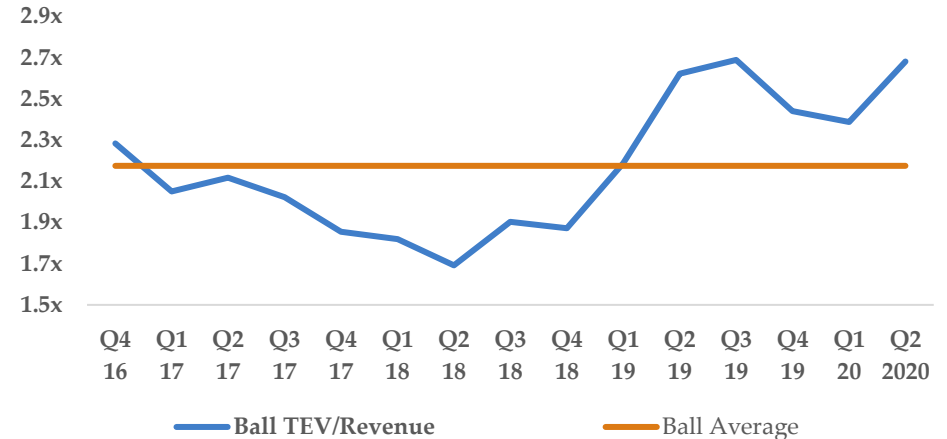
Ball Corporation (NYSE: BLL)

Ball Corporation is a supplier of metal packaging to the beverage, food, personal care and household products industries. The Company's packaging products are produced for a range of end uses and are manufactured in facilities around the world. Its segments include beverage packaging, North and Central America; beverage packaging, South America; beverage packaging, Europe; food and aerosol packaging; aerospace, and other. Its major product line is aluminum and steel beverage containers. It produces steel food, aerosol and extruded aluminum aerosol containers and aluminum slugs. Its aerospace business designs, develops and manufactures aerospace systems for civil, commercial and national cyber security aerospace markets. It produces spacecraft, instruments and sensors, radio frequency systems and components, data exploitation solutions and a range of aerospace technologies and products.

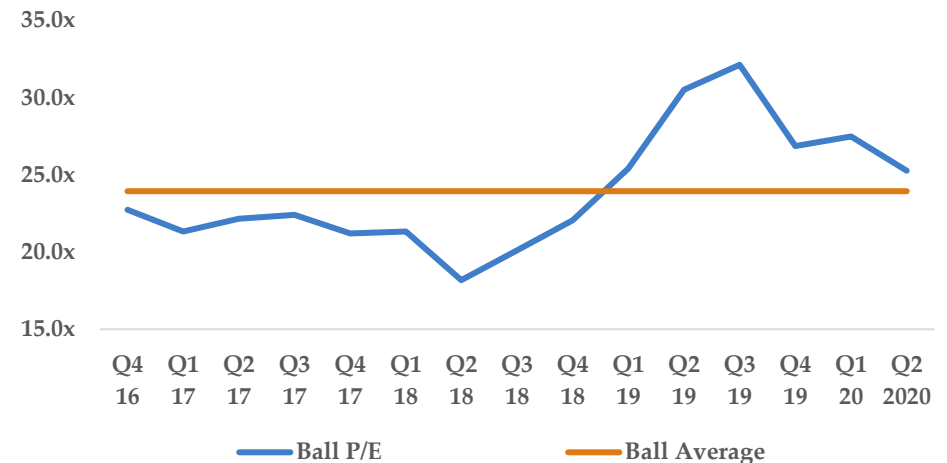
EBITDA Multiples - Ball



Revenue Multiples - Ball



P/E Multiples - Ball

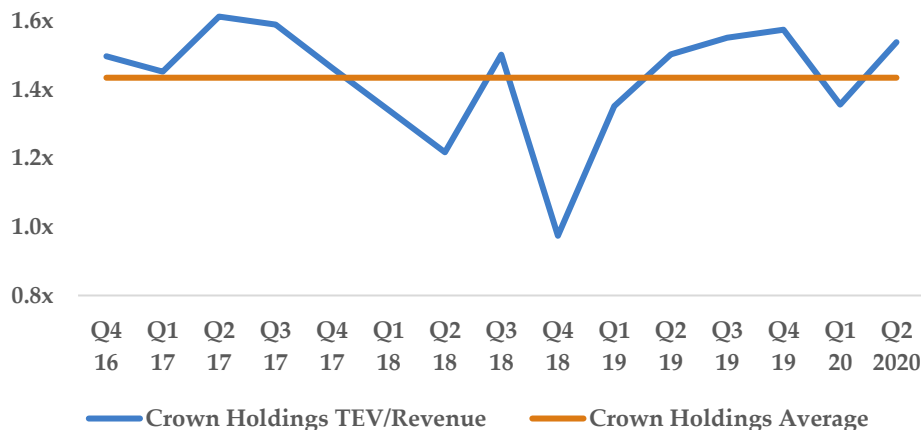


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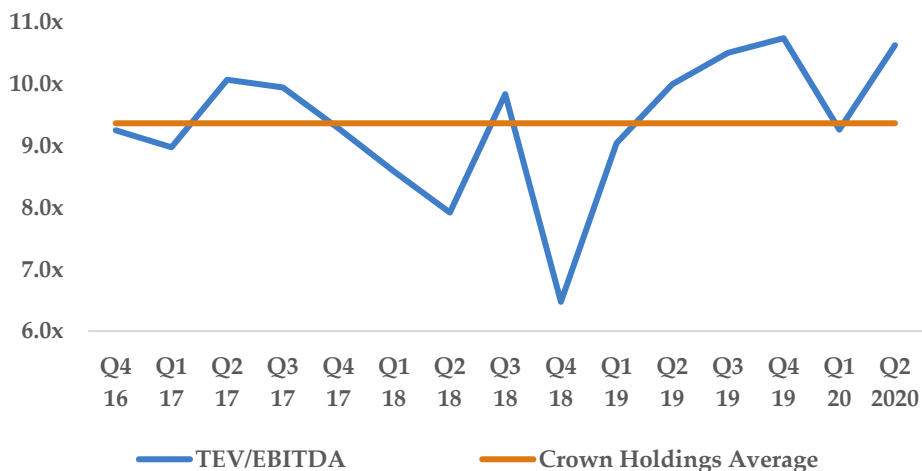
Crown Holdings (NYSE: CCK)

Crown Holdings, Inc. is engaged in the design, manufacture and sale of packaging products for consumer goods. The Company's business is organized within three divisions: Americas, Europe and Asia Pacific. Within each division, the Company is organized along product lines. The Company's segments within the Americas Division are Americas Beverage and North America Food. The Company's segments within the European Division are European Beverage and European Food. The Company's Asia Pacific Division segment consists of its beverage and non-beverage can operations. The Company is also engaged in European aerosol and specialty packaging business, its North American aerosol can business, and its tooling and equipment operations in the United States and the United Kingdom. As of December 31, 2016, the Company operated 146 plants along with sales and service facilities throughout 36 countries. It also has three can making and spare part operations in the United States and the United Kingdom.

Revenue Multiples - Crown Holdings



EBITDA Multiples - Crown Holdings



P/E Multiples - Crown Holdings

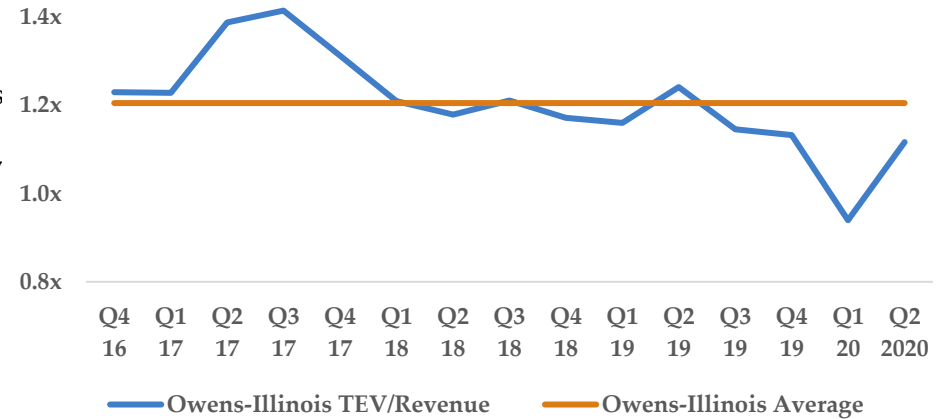


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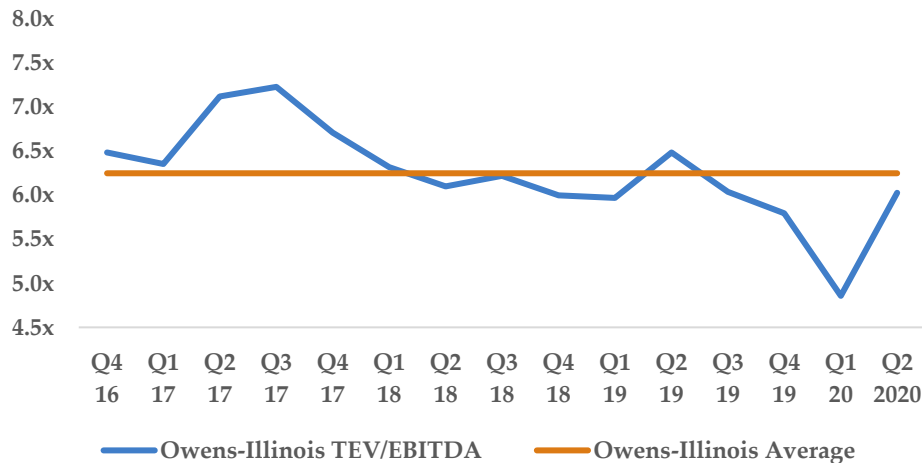
Owens-Illinois (NYSE: OI)

O-I Glass, Inc. is a manufacturer of glass container products. The Company's principal product lines are glass containers for the food and beverage industries. The Company's segments include Europe, Americas and Asia Pacific. The Company produces glass containers for alcoholic beverages, including beer, flavored malt beverages, spirits and wine. The Company also produces glass packaging for a range of food items, soft drinks, teas, juices and pharmaceuticals. The Company manufactures glass containers in a range of sizes, shapes and colors. The Company also provides engineering support for its glass manufacturing operations through facilities located in the United States, France, Poland, Colombia and Peru. The Company has approximately 72 glass manufacturing plants in 20 countries. The Company has a distribution facility used to import glass containers from its business in Mexico.

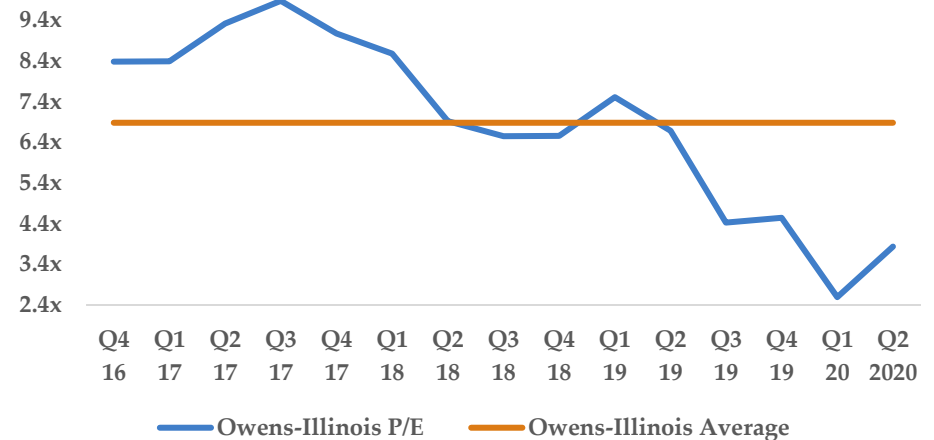
Revenue Multiples - Owens-Illinois



EBITDA Multiples - Owens-Illinois



P/E Multiples - Owens-Illinois

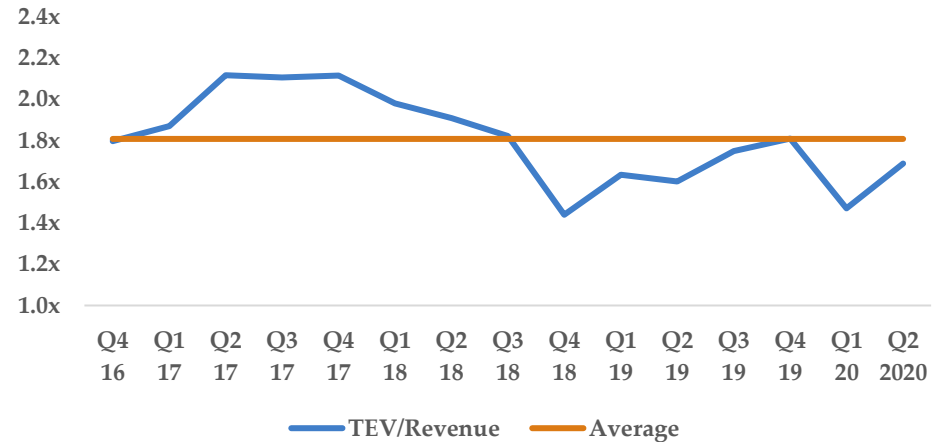


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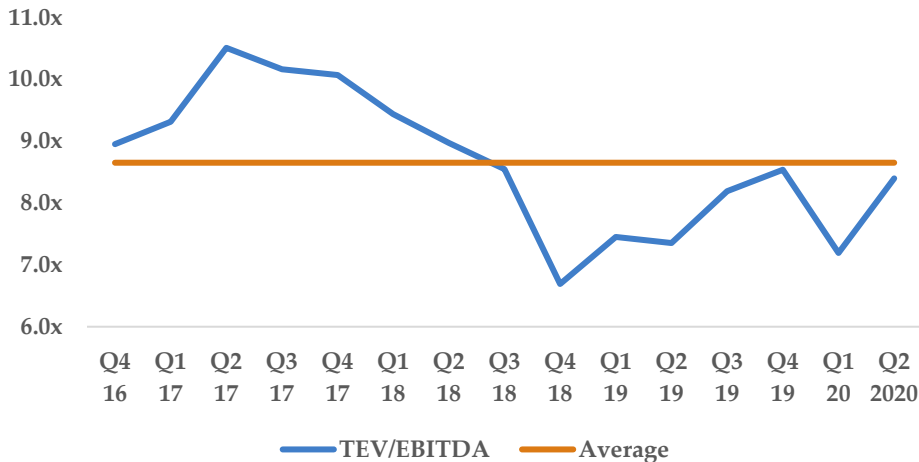
Package Corporation (NYSE: PKG)

Packaging Corporation of America (PCA) is a producer of containerboard products and uncoated freesheet. The Company operates through three segments: Packaging, Paper, and Corporate and Other. The Packaging segment produces a range of corrugated packaging products. The Paper segment manufactures and sells a range of papers, including communication-based papers and pressure sensitive papers. The Company's containerboard mills produces linerboard and semi-chemical corrugating medium, which are papers primarily used in the production of corrugated products. The Company's corrugated products manufacturing plants produce a range of corrugated packaging products, including conventional shipping containers used to protect and transport manufactured goods, multi-color boxes and displays.

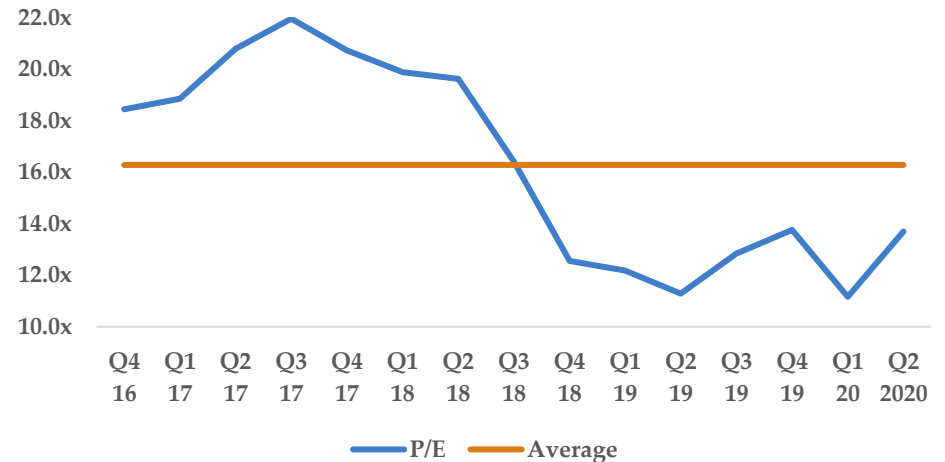
Revenue Multiples - Packaging Corp.



EBITDA Multiples - Packaging Corp.



P/E Multiples - Packaging Corp.

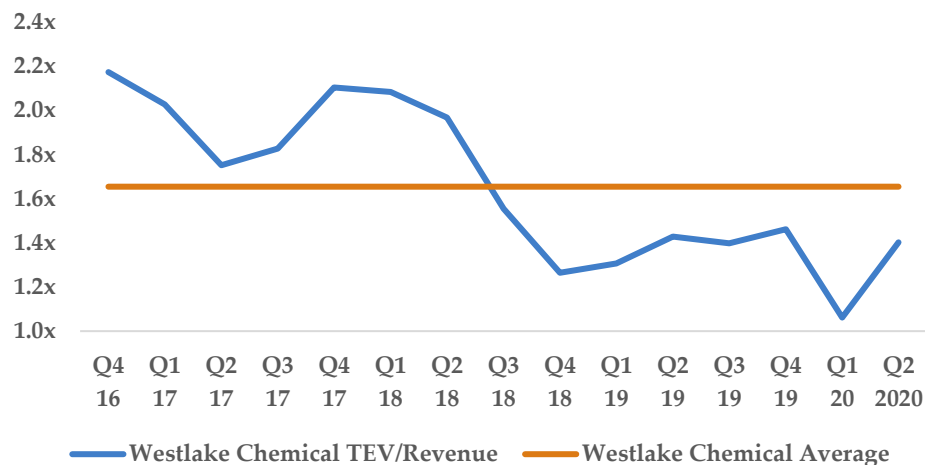


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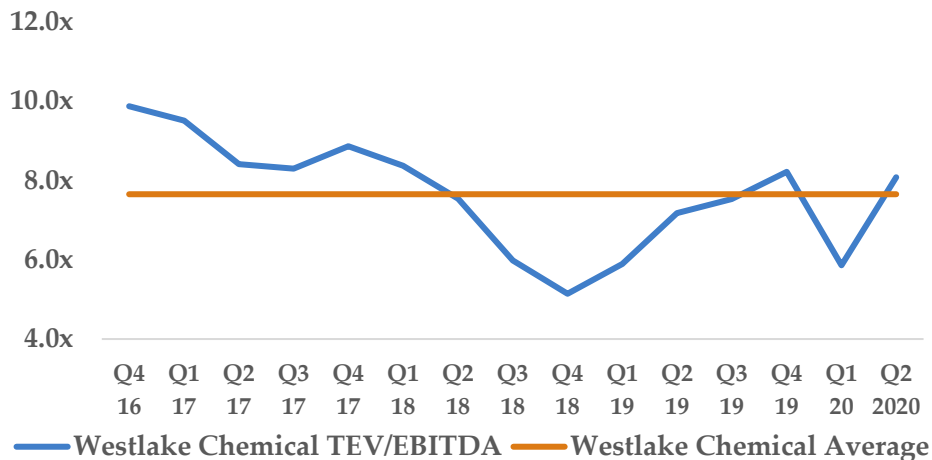
Westlake Chemical (NYSE: WLK)

Westlake Chemical Corporation is a global manufacturer and marketer of basic chemicals, vinyls, polymers and building products. The Company's products include a range of chemicals, which are fundamental to various consumer and industrial markets, including flexible and rigid packaging, automotive products, coatings, water treatment, refrigerants, residential and commercial construction, as well as other durable and non-durable goods. Its segments include Olefins and Vinyls. It manufactures ethylene (through Westlake Chemical OpCo LP (OpCo)), polyethylene, styrene and associated co-products at its manufacturing facility in Lake Charles and polyethylene at its Longview facility. The Company's products in its Vinyls segment include polyvinyl chloride (PVC), vinyl chloride monomer (VCM), ethylene dichloride (EDC), chlor-alkali (chlorine and caustic soda) and chlorinated derivative products and, through OpCo, ethylene.

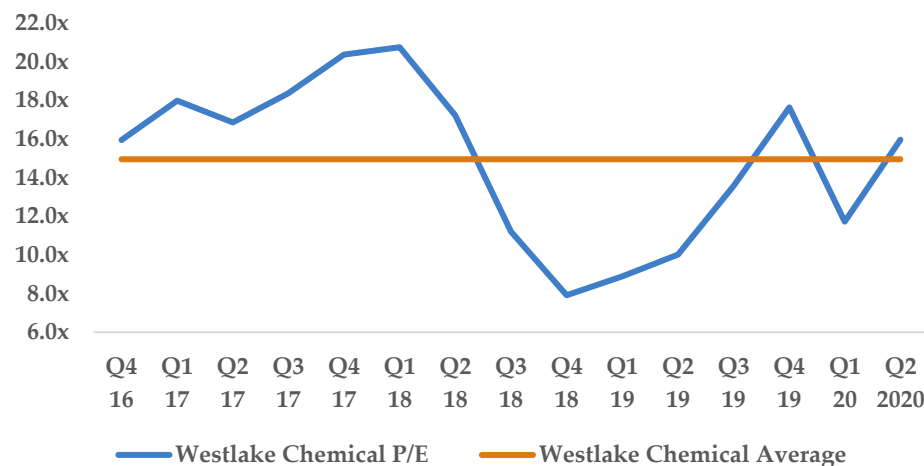
Revenue Multiples - Westlake Chemical



EBITDA Multiples - Westlake Chemical



P/E Multiples - Westlake Chemical

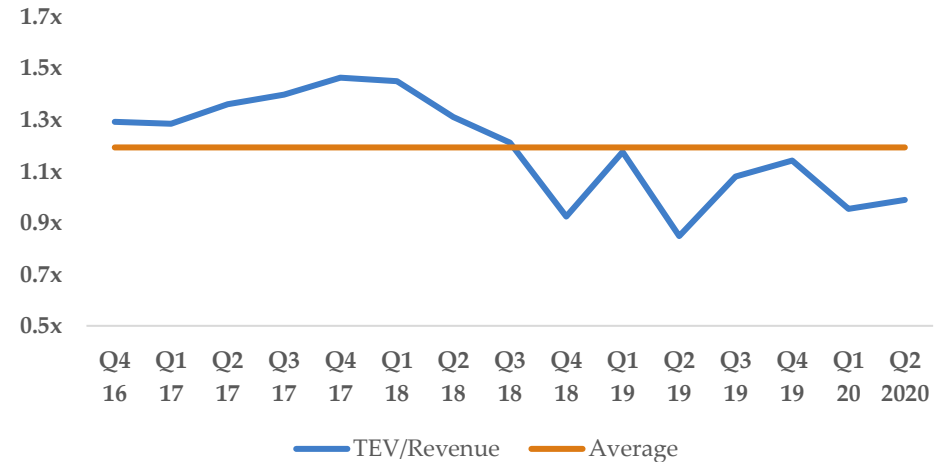


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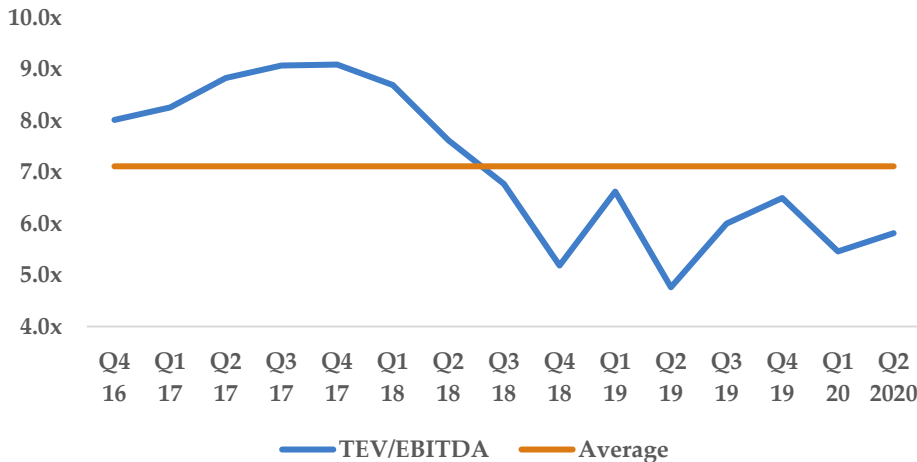
WestRock (NYSE: WRK)

WestRock Company is a multinational provider of paper and packaging solutions for consumer and corrugated packaging markets. The Company also develops real estate in the Charleston, South Carolina region. The Company's segments include Corrugated Packaging, Consumer Packaging, and Land and Development. The Corrugated Packaging segment consists of its containerboard mill and corrugated packaging operations, as well as its recycling operations. The Consumer Packaging segment consists of consumer mills, folding carton, beverage, merchandising displays, and partition operations. The Land and Development segment is engaged in the development and sale of real estate primarily in Charleston, South Carolina.

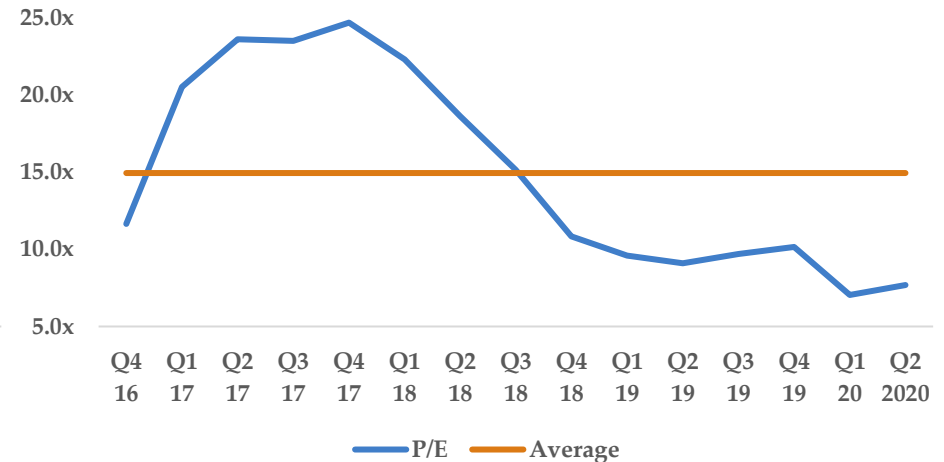
Revenue Multiples - WestRock



EBITDA Multiples - WestRock



P/E Multiples - WestRock



DAVIDSON CAPITAL ADVISORS PROFESSIONALS

Robert S. Cashion **Managing Director, Investment Banking and Advisory Services**

Prior to joining Davidson Capital Advisors, Mr. Cashion spent over 20 years in the financial services industry. He manages the firm's overall corporate finance and consulting practice where he oversees and executes the firm's investment banking, advisory and capital raising engagements.

Mr. Cashion worked with several financial institutions and consulting firms delivering investment banking, leveraged finance, consulting and restructuring services. He worked with Bank of America Merrill Lynch and its predecessor firms in the High Grade Capital Markets, Corporate Finance and the Special Situations group.

Mr. Cashion has been involved in industry sectors including general industrial, distribution, business services, retail, technology and healthcare. Mr. Cashion holds B.A. Education, B.S. Accounting, and an MBA from the University of North Carolina. He is a Certified Public Accountant and holds FINRA 7, 63 and 79 securities licenses.



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DAVIDSON CAPITAL ADVISORS PROFESSIONALS

Elizabeth Folger **Managing Director, Institutional Client Coverage**

Prior to joining Davidson Capital Advisors, Ms. Folger spent 16 years in the financial services industry in a variety of functions, most recently with Bank of America Merrill Lynch and its predecessor firms. She manages the sales and auction processes for the firm's sell side M&A and capital raising engagements. Her deep experience in the sales and trading has resulted in excellent execution for our client's projects.

She worked in the Loan Syndication Sales Group, headquartered in Charlotte, with her primary responsibilities for sales and distribution of syndicated loans for middle market and large corporate credits. Also, Ms. Folger worked on the Corporate Bond Trading desk where she managed and traded risk positions of \$50-\$100 million of intermediate term bank and finance paper.

Ms. Folger has been involved in a variety of sectors including general industrial, distribution, business services, retail, technology and healthcare. She holds a Bachelor of Arts from Hollins University.



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Neil Lavietes

Analyst, Investment Banking

Prior to joining Davidson Capital Advisors in 2020, Mr. Lavietes interned with Sherman and Company for the summer of 2019. He graduated from The University of Georgia in 2020 with a Bachelor of Business Administration with a major in Finance and Risk Management Insurance.

Jacob Dailey

Analyst, Investment Banking

Prior to joining Davidson Capital Advisors, Mr. Dailey interned with International Electric Power in Pittsburgh, PA. He graduated from Wake Forest University in 2019 with a BA in Economics.

Matthew Torres

Analyst, Investment Banking

Prior to joining Davidson Capital in 2020, Mr. Torres worked with Sustainable Opportunities Acquisition Corp. He graduated from University of Virginia with a Masters in Commerce with a concentration in Finance.