

PORTFOLIO REALIGNMENT AND SUSTAINABILITY REMAINS TOP OF MIND FOR PACKAGING M&A

PACKAGING SECTOR UPDATE | NOVEMBER 2024



**CAPSTONE
PARTNERS**

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Capstone Partners, a subsidiary of Huntington Bancshares Incorporated (NASDAQ:HBAN), has been a trusted advisor to leading middle market companies for over 20 years, offering a fully integrated range of expert investment banking and financial advisory services uniquely tailored to help owners, investors, and creditors through each stage of the company's lifecycle.

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Packaging

Portfolio Realignment and Sustainability Remains Top of Mind for Packaging M&A

KEY SECTOR TAKEAWAYS

Capstone Partners' [Industrials Group](#) is pleased to share its Packaging report. The Packaging sector has continued to adopt environmentally-sustainable solutions and industry players have sought portfolio optimization, fueling transaction activity in the space. Strategic buyers have maintained their activity in the sector as large-scale deals have continued to materialize. Several additional key report takeaways are outlined below.

1. Packaging merger and acquisition (M&A) activity has moderated with 135 deals announced or completed year to date (YTD), a 20.1% decrease year-over-year (YOY), upheld by businesses' realignment of portfolios.
2. Major players have reevaluated portfolios in order to streamline operations and focus on core competencies, divesting business units as a result.
3. Regulators have placed heightened attention on the responsibility of producers for the treatment and disposal of post-consumer products, leading to significant investments in the sector.
4. Activity by private equity owned platforms continues to drive M&A in the broader market, as seen with the sale of Capstone's recent client Harbor Foam.
5. In the face of less overall M&A activity, large deals have taken center stage by and between major Packaging industry players.

Capstone Partners has developed a full suite of corporate finance solutions, including, financial advisory services, merger and acquisition advisory, debt advisory, and equity capital financing to help privately owned businesses and private equity firms navigate through each stage of a company's lifecycle.

To learn more about Capstone's wide range of advisory services and Packaging sector knowledge, please [contact us](#).

SUSTAINABILITY STANDARDS PERSIST, RESHORING TRENDS TAKE SHAPE

Extended producer responsibility (EPR) in the Packaging sector has become an increasingly important component of sustainability initiatives worldwide. Stakeholders have determined that producers have a responsibility for the treatment and disposal of post-consumer products, and the U.S. government has intended to enforce regulations. In September, California Attorney General, Rob Bonta, filed a lawsuit against ExxonMobil (NYSE:XOM) for exacerbating global pollution by running a “decades-long campaign of deception” that dramatically overstated the efficacy of plastic recycling, according to a press release.¹ The suit seeks “multiple billions of dollars” in civil damages from Exxon—a major producer of the petrochemicals used to make single-use plastics, according to a *BBC* article.² In response, an Exxon statement said California “failed to act, and now they seek to blame others.” Manufacturers in the Packaging market have toggled back and forth with the expectation of managing the end-of-life impact of packaging materials they produce. This has often involved funding recycling programs, redesigning packaging for greater recyclability, or reducing the amount of packaging used, among other initiatives, with the aim of minimizing what ends up in landfills and as harmful pollution.



Mike Schumacher,
Managing Director

“Now that we are past most of the impacts from the pandemic, and the experienced spike in demand for packaging products related to e-commerce activity, the sector has normalized with less destocking activity and pricing stabilization within the commodity input markets. This has led to more confidence from the buyer community when analyzing potential targets for factors such as recent company performance, margin sustainability, and go-forward predictability of revenue and profitability. This confidence, coupled with continued innovation in packaging sustainability and an anticipated increase in overall M&A activity going forward, will lead to strength in packaging M&A and robust interest from private equity groups and strategic buyers.”

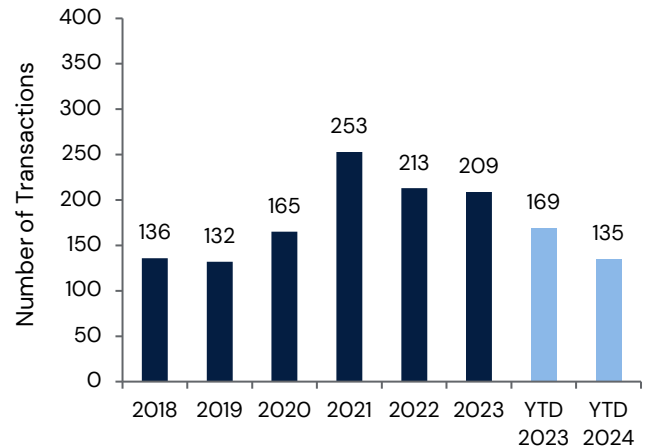
The Packaging sector has seen a surge in megadeals (more than \$5 billion in enterprise value) to-date as sector players have turned to consolidation to gain a competitive advantage and bolster sustainability efforts. One of the most significant moves was Smurfit Kappa’s September 2023 merger with WestRock (\$21 billion, 1.0x EV/Revenue, 6.3x EV/EBITDA), a deal that has now been approved and closed as of July 2024. The merger has created one of the largest packaging companies globally, giving the new entity, Smurfit WestRock (NYSE:SW), more influence in shaping the future of sustainable packaging. The company is expected to leverage their combined resources to innovate in EPR initiatives, pushing forward developments in circular economy practices and sustainable packaging solutions. The deal further highlights the growing trend of consolidation in the Packaging market, as larger players seek to capture market share and meet regulatory pressures around environmental responsibility.

Packaging players have also begun adapting production strategies in response to changing trade policies and tariffs. Canada has aligned its tariff structures with the U.S. for certain goods, and companies have gradually looked toward Mexico as an alternative country for production. Trade agreements including the U.S.–Mexico–Canada Agreement (USMCA) provide a favorable option for North American production while avoiding trade disruptions and geopolitics stemming from overseas manufacturing. Of note, Mauser Packaging Solutions’ subsidiary, BWAY, acquired Mexico-based Taenza, a manufacturer of tin-steel general line, sanitary, aerosol cans, and steel pails for an undisclosed sum (May). Mauser simultaneously shuttered its Aerosol Can business in Cincinnati, Ohio and Sturtevant, Wisconsin, citing “ongoing economic difficulties” as the reason for the closure, according to an article from *Spray Technology & Marketing*.³ Similar shifts in the Packaging market may facilitate more production facilities being moved to or expanded in Mexico, where companies can still cater to the U.S. and Canadian markets while enjoying more favorable cost structures and avoiding disruptive tariff and trade policy impacts.

PACKAGING PLAYERS REALIGN PORTFOLIOS, DIVEST NON-CORE ASSETS

Packaging M&A activity has moderated with 135 deals announced or completed YTD, a 20.1% decrease YOY. A large portion of the initial transaction inventory in 2024 has been fueled by the realignment of portfolio businesses. Public strategic buyers have prioritized transacting with one another and deploying capital inflows, seen by its increased share of deals YOY. In contrast, sponsor acquisitions have fallen 26.3% to date and private strategic activity slowed 18%. The disclosed enterprise value of sector acquisitions YTD has totaled \$18.5 billion, demonstrating a resilient appetite for middle market participants in conjunction with an influx of megadeals. M&A multiples in the Packaging sector have remained healthy, averaging 1.5x EV/Revenue and 8.7x EV/EBITDA from 2021 through YTD. Public companies have also traded at strong multiples, which may buoy M&A valuations in the long-term.

Packaging M&A Moderates Year to Date Compared to Prior Year Period



Year to date (YTD) ended October 16

Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

Major Packaging sector players have reevaluated portfolios in order to streamline operations and focus on core competencies. This shift has been driven by a desire to enhance profitability and align with sustainable growth trends as companies increasingly prioritize environmentally-friendly solutions and digital innovations. The shedding of non-core assets that no longer fit strategic visions has allowed sector players to channel resources toward high-growth areas. Of note, Berry Global (NYSE:BERY) announced the spin-off of its Health, Hygiene and Specialties segment and Global Nonwovens & Films business (HHNF) in a sale to Glatfelter (NYSE:GLT) to create a new leader in the Specialty Materials space (February, \$549.8 million, 0.2x EV/Revenue, 1.9x EV/EBITDA). The deal advances Berry's goal of becoming consumer packaging-focused and has subsequently changed the name of its Engineered Materials segment to Flexibles, as the company aligns its portfolio towards high-value products and solutions. Sonoco Products (NYSE:SON) sold its Thermoformed & Flexibles Packaging business (September, undisclosed) and its Protective Solutions business to Black Diamond Capital Management (January, \$80 million). Additionally, Ball Corporation (NYSE:BALL) divested its Aerospace business (Ball Technology Holdings) to BAE Systems (LSE:BA.) for an enterprise value of \$5.6 billion, equivalent to 2.8x EV/Revenue (August 2023). By offloading segments that do not align with portfolio optimization, companies have improved their balance sheets and positioned themselves to better meet market demand.

Leading Packaging Players Focus on Value Creation Through Divestitures

“ We believe this divestiture builds on our previously articulated strategy to divest non-core assets and to refocus our efforts on core businesses to achieve greater scale, profitability, and market leadership. ”

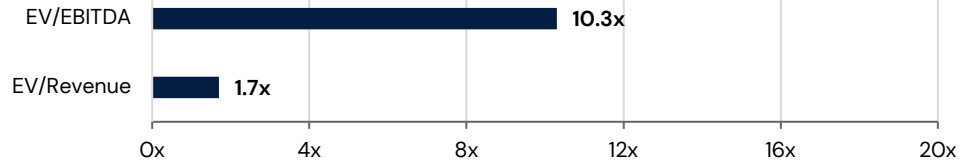
– **Howard Coker**, Sonoco Products President & CEO, Protective Solutions Packaging Business Divestiture Press Release⁴

“ Ball will utilize the approximately \$4.5 billion of after-tax cash proceeds to reduce leverage, return value to shareholders and embark on the next step in our journey with greater financial flexibility and a focused purpose of advancing sustainability through aluminum packaging solutions that support a world free from waste. ”

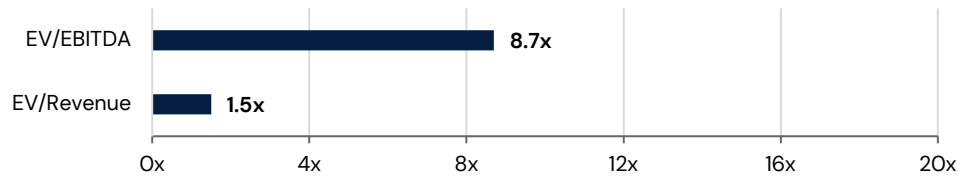
– **Daniel W. Fisher**, Ball Corporation Chairman & CEO, Aerospace Business Divestiture Press Release⁵

PACKAGING VALUATIONS & BUYER BREAKDOWN

Average Last Twelve-Month Public Company Trading Multiples
 Capstone's Packaging index has traded at premium LTM valuations.

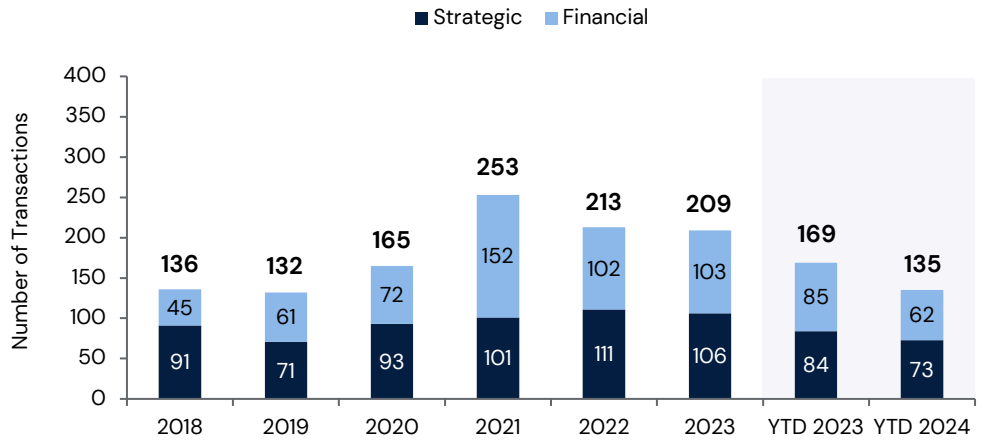


Average M&A Purchase Multiples (2021-YTD 2024)
 Healthy M&A valuations have supported strong transaction activity through year to date.



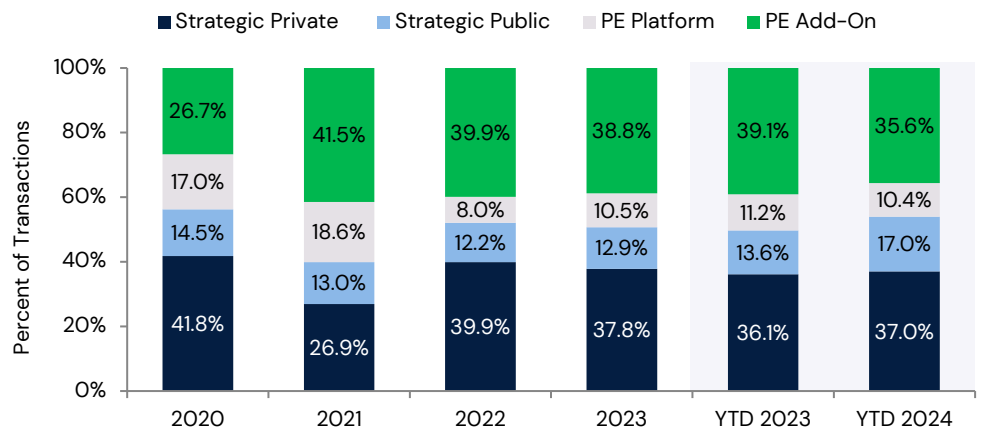
Capstone's Packaging Index includes AMC, AVY, BALL, BERY, CCK, GPK, IP, MNDI, OI, PKG, SEE, SW, SON
 Year to date (YTD) ended October 16
 Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

Year-to-Date M&A Volume Moderates, Strategic Players Yield a Larger Portion of Deals
 Financial buyers have historically accounted for approximately half of total transaction volume with a surge in private equity activity in 2021. Since, strategics have entered the sector in full force as many financial players focus on retaining cash reserves in a tightened credit environment.



Year to date (YTD) ended October 16
 Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

Public Strategics Continue to Utilize Acquisitions to Bolster Portfolio Holdings
 The prevalence of acquisition-hungry public strategics in the sector has created a significant opportunity for portfolio optimization and reorganization as these companies integrate smaller companies to drive increased value.



Year to date (YTD) ended October 16
 Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

LARGE-SCALE DEALS SHAKE UP PACKAGING M&A LANDSCAPE



To Acquire



In September, Veritiv announced the acquisition of Orora Packaging Solutions (OPS), the North American division of Australia-based Orora (ASX:ORA) for \$1.2 billion, equivalent to 9.9x EV/EBITDA. A leader in specialty packaging distribution, Veritiv was acquired by Clayton, Dubilier & Rice in August 2023 (\$2.9 billion, 0.5x EV/Revenue, 5.5x EV/EBITDA) and has since announced or completed three add-on transactions. The divestiture for Orora focuses its strategy on becoming a beverage packaging business with a robust balance sheet. The addition of OPS to Veritiv is expected to underpin the footprint, design, value-added services, and sustainability of the new entity.

"The combination of Veritiv and Orora Packaging Solutions will significantly enhance the value we deliver to our customers. By uniting two successful players with a shared commitment to innovation, sustainability, and exceptional customer experiences, we are poised to offer a wide range of products and value-added solutions that meet even the most complex packaging and supply chain needs," said Sal Abbate, CEO of Veritiv, in Veritiv's deal announcement.⁶



To Acquire



Sonoco Products announced its acquisition of Eviosys, Europe's leading metal packaging and food and aerosol cans manufacturer, from KPS Capital Partners for an enterprise value of \$3.9 billion in June. Eviosys' 2024 revenues are forecasted to reach ~\$2.5 billion, with Sonoco expecting to achieve more than \$100 million in synergies from the integration of the complementary Metal Can businesses, according to a press release.⁷ Eviosys has rode operational momentum since 2021, increasing EBITDA by ~50%.

"The acquisition of Eviosys establishes our global leadership in metal food can and aerosol packaging, marking an exciting milestone in our strategy to scale our core strategic Metal Packaging platform and position Sonoco for long-term value creation," said Howard Coker, President and Chief Executive Officer of Sonoco, in the press release.



To Acquire



In March, International Paper (NYSE:IP) announced its acquisition of DS Smith (LSE:SMDS) for an enterprise value of \$9.9 billion, equivalent to 1.1x EV/Revenue and 7.2x EV/EBITDA. The transaction pricing was an improvement to Mondi's (LSE:MNDI) proposed acquisition valuation of \$9.0 billion in enterprise value at revenue and EBITDA multiples of 1.0x and 6.5x, respectively. The improved deal was approved by DS Smith's board of directors and is expected to close by Q4 2024, creating a global behemoth in sustainable packaging solutions, according to a press release.⁸ The integration of approximately 500-600 thousand tons of containerboard from DS Smith into IP's mill system will likely increase the combined integration rate to approximately 90%, with synergistic value creation forecasted to be \$514 million in pre-tax synergies four years after closing.

"The combination with IP is an attractive opportunity to create a truly international sustainable packaging solutions leader that is well positioned in attractive and growing markets across Europe and North America. It combines two focused and complementary businesses. DS Smith has grown significantly through a dedication to customers, focus on innovation, quality of packaging and high levels of service. In a dynamic sustainable packaging landscape, the combination will enhance our global proposition to customers, create opportunities for colleagues and drive value for shareholders who can remain fully invested in such an exciting business," commented DS Smith CEO, Miles Roberts, in the press release.

SELECT M&A TRANSACTIONS

Date	Target	Acquirer	Target Business Description	Enterprise	EV / LTM	
				Value (mm)	Revenue	EBITDA
09/03/24	Orora Packaging Solutions	Veritiv	Manufactures packaging products and services.	\$1,200.0	-	9.9x
08/28/24	Harbor Foam	Alleguard	Offers expanded polystyrene foam products.	CF	CF	CF
08/19/24	Lifoam Industries	Foam Fabricators	Delivers foam products for recreational, industrial, first aid, and shipping applications.	\$137.0	-	-
07/15/24	Quadpack Industries (ENXTPA:ALQP)	Texen	Develops packaging products and containers for the Cosmetics industry.	\$193.5	1.4x	12.7x
06/24/24	Eviosys Packaging	Sonoco Products (NYSE:SON)	Manufactures packaging products.	\$3,900.0	~1.6x	~9.1x
06/07/24	Northeast Box	Welch Packaging	Develops corrugated products.	-	-	-
06/04/24	Idaho Package	BradyIFS+Envoy Solutions	Distributes packaging materials and products.	-	-	-
06/04/24	Artemis	Smurfit Westrock (NYSE:SW)	Manufactures caps for wine, alcoholic drinks, and Bag in Box.	-	-	-
05/13/24	Pacman-CCL	CCL Industries (TSX:CCLB)	Engages in designing and printing labels.	\$209.0	-	-
05/02/24	Packaging Laminating Adhesives Business	Arkema (ENXTPA:AKE)	Comprises The Dow Chemical Company's packaging laminating adhesives business.	\$150.0	~0.6x	~10.0x
04/15/24	Ameripac	Veritiv	Provides outsourced packaging and turnkey fulfillment solutions.	-	-	-
03/26/24	DS Smith (LSE:SMDS)	International Paper (NYSE:IP)	Offers packaging solutions, paper products, and recycling services worldwide.	\$9,909.0	1.1x	7.2x
03/22/24	Accrol Group	Navigator Paper U.K.	Engages in the soft tissue paper converting business.	\$233.4	0.8x	12.0x
02/21/24	Vivabox Solutions	Veritiv	Manufactures discovery samplers.	-	-	-
02/20/24	Graphic Packaging Paperboard Mfg. Facility	Clearwater Paper (NYSE:CLW)	Comprises paper-based packaging solutions.	\$700.0	-	-
02/16/24	Aluflexpack (SWX:AFP)	Constantia Flexibles	Provides flexible packaging products and solutions.	\$493.2	1.2x	10.2x
02/07/24	HHNF Business of Berry Global	Glatfelter (NYSE:GLT)	Comprises nonwovens and films business.	-	-	-
02/01/24	Assets of Consolidated Container	BWAY	Includes a steel and plastic container manufacturing business.	\$56.0	-	-
01/30/24	Sonoco Protective Solutions	Black Diamond Capital	Operates an expandable polystyrene plant.	\$80.0	0.5x	-
01/03/24	Allstate Can Assets	The Ohio Art Company	Comprises a specialty and industrial metal packaging business.	CF	CF	CF
09/12/23	WestRock (NYSE:WRK)	Smurfit Kappa (LSE:SK3)	Provides fiber-based paper and packaging solutions.	\$20,968.0	1.0x	6.3x

Mean	\$2,940.7	1.0x	9.7x
Median	\$233.4	1.1x	10.0x

Blue indicates Capstone advised transactions; CF = Confidential
Source: Capital IQ, PitchBook, FactSet, and Capstone Partners

CAPSTONE CASE STUDY

Capstone Partners advised [Harbor Foam](#) on its sale to Alleguard, a portfolio company of Wynnchurch Capital. Terms of the deal were not disclosed.

Headquartered in Grandville, Michigan, Harbor Foam is a manufacturer of expanded polystyrene (EPS) and serves a diverse customer base across the construction, packaging, recreational vehicles, and general industrial end markets. EPS foam products, characterized by their closed-cell structure and ability to be molded into various shapes and sizes, provide excellent thermal insulation, impact resistance, and moisture resistance, making them ideal for a multitude of applications ranging from insulation in buildings to protective packaging for delicate goods. Harbor Foam primarily services markets located in the Midwest region within states such as Michigan, Indiana, Ohio, and Illinois. For more information, please visit: harborfoam.com.

Alleguard is a manufacturer and distributor of custom EPS, EPP, and ARCEL foam products. It is a portfolio company of private equity firm Wynnchurch Capital and serves the Packaging, Appliance, Building Products, Cold Chain, Automotive, Consumer, and other general industrial end-markets. For more information, please visit: alleguard.com.

Paul Ciolino, CEO of Alleguard, said, "We're thrilled to bring Harbor Foam into the Alleguard Family. Harbor Foam has a strong reputation for its high-quality products and excellent customer service." Ciolino added, "This partnership will enable Alleguard and Harbor Foam to better serve our growing Midwest customer base."



“ Harbor Foam has a long history of strong performance through a variety of macro-environments, a testament to its value-add to customers and strong operational management. Alleguard's acquisition of Harbor Foam reflects private equity-backed strategics' proven playbook of expanding geographic coverage and production capacity and adding end-markets and product categories through add-on acquisitions. ”

David Bench
Managing Director, Capstone Partners



David Bench,
Managing Director
Co-Head of Industrials

“The Packaging industry has been one of the most robust sectors for M&A activity within our Industrials group. A consistent theme experienced over the past 18 months is interest and acquisition activity from packaging companies owned by private equity groups. With less platform activity from these investors during an environment of high interest rates and economic uncertainty, they have looked to add-on opportunities as levers to grow their holdings and deploy capital. We anticipate more platform activity starting in late 2025 with expectations of lower interest rates and a more bullish private equity community.”

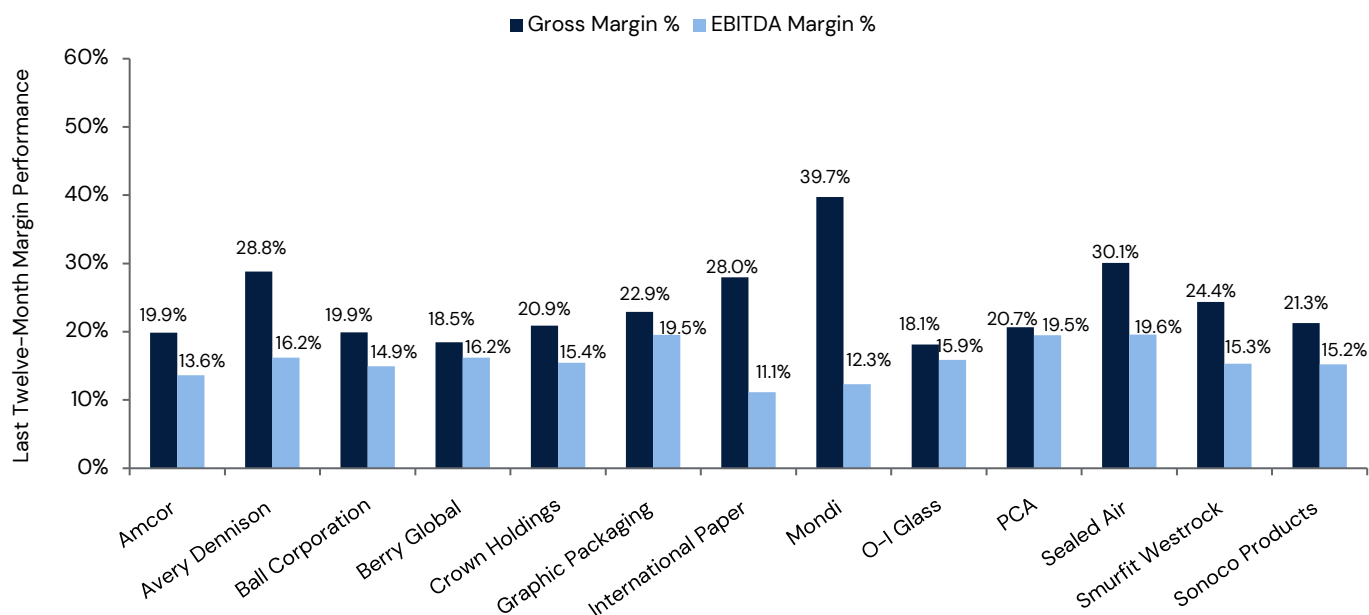
PUBLIC COMPANY DATA

Company	Price 09/24/24	% 52 Wk High	Market Cap	Enterprise Value	LTM			EV / LTM	
					Revenue	EBITDA	Margin	Revenue	EBITDA
Amtcor plc	\$11.25	99.5%	\$16,321.1	\$23,198.1	\$13,640.0	\$1,857.0	13.6%	1.7x	12.5x
Avery Dennison Corporation	\$214.93	92.1%	\$17,306.0	\$20,279.8	\$8,595.4	\$1,468.2	17.1%	2.4x	13.8x
Ball Corporation	\$67.29	94.3%	\$20,426.9	\$25,270.9	\$13,814.0	\$2,065.0	14.9%	1.8x	12.2x
Berry Global Group, Inc.	\$69.79	98.7%	\$7,997.9	\$16,923.9	\$12,177.0	\$1,973.0	16.2%	1.4x	8.6x
Crown Holdings, Inc.	\$94.04	97.2%	\$11,209.2	\$17,894.2	\$11,751.0	\$1,867.0	15.9%	1.5x	9.6x
Graphic Packaging Holding Company	\$29.48	96.2%	\$8,847.4	\$13,980.4	\$9,094.0	\$1,907.0	21.0%	1.5x	7.3x
International Paper Company	\$47.98	94.7%	\$16,667.3	\$21,656.3	\$18,567.0	\$2,344.0	12.6%	1.2x	9.2x
Mondi plc	\$18.07	80.8%	\$7,967.4	\$10,245.9	\$7,701.7	\$886.0	11.5%	1.3x	11.6x
O-I Glass, Inc.	\$12.73	72.4%	\$1,977.8	\$6,454.8	\$6,706.0	\$1,064.0	15.9%	1.0x	6.1x
Packaging Corporation of America	\$221.73	99.4%	\$19,770.5	\$21,758.0	\$7,928.8	\$1,547.0	19.5%	2.7x	14.1x
Sealed Air Corporation	\$35.30	85.8%	\$5,142.2	\$9,473.9	\$5,434.0	\$1,063.2	19.6%	1.7x	8.9x
Smurfit Westrock Plc	\$45.39	89.7%	\$23,605.3	\$23,605.3	\$11,676.0	\$1,953.0	16.7%	2.0x	12.1x
Sonoco Products Company	\$54.24	87.9%	\$5,329.5	\$8,542.8	\$6,607.2	\$1,005.9	15.2%	1.3x	8.5x

Mean	16.1%	1.7x	10.3x
Median	15.9%	1.5x	9.6x
Harmonic Mean	15.7%	1.5x	9.7x

EV = enterprise value; LTM = last twelve months
\$ in millions, except per share data

Public Players See Margin Expansion Over the Last Year



Source: Capital IQ and Capstone Partners as of October 16, 2024

BUYER UNIVERSE

Capstone maintains an active presence in the Packaging sector with in-depth knowledge of the buyer universe and business characteristics that drive premium valuations in an M&A process. Our sector knowledge and network provide us with unique insights into market trends and buyer preferences.

Leading Strategic Buyers



Leading Financial Buyers



Source: Capstone Partners

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David is a Managing Director based out of Orange County, CA. Prior to Capstone Partners, David managed the Western region for Morgan Stanley Smith Barney's Capital Strategies Group and its predecessor, Citi Capital Strategies. David has focused on middle market investment banking for 30+ years and has been the lead banker in over 250 M&A transactions involving both domestic and foreign corporate buyers, as well as leveraged recaps with private equity sponsors. His areas of focus include Manufacturing and Industrials (products and services) and Business Services. His achievements in the investment banking industry have gained him national recognition by the M&A Advisor.

**Mike Schumacher**

Managing Director
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Mike Schumacher joined Capstone Partners in January 2017 from a private merchant bank that he co-founded in 2014, where he served as Head of Advisory Services. Over the course of Mr. Schumacher's 25-year investment banking career, he has advised, evaluated, and worked with companies and financial sponsors across various industries and sizes. Mr. Schumacher has completed transactions totaling over \$10 billion in value, including debt, equity and strategic advisory. His sector expertise is in the Packaging Sector, both on the manufacturing and distribution sides. Mr. Schumacher has covered the Light Industrials space for 14 years at middle market investment banks. Previously, Mr. Schumacher was with Morgan Stanley, where he served as a Vice President focusing on Heavy Industrials in North America and Asia. Mr. Schumacher started his career with Bear Stearns in equity research and debt capital markets in New York and Hong Kong.

**Christopher Cardinale**

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Chris is a Director within Capstone's Industrials Investment Banking Group with over 10 years of experience serving clients on transactions involving mergers, acquisitions, carveouts, divestitures, recapitalizations and capital raises. Based in Orange County, CA, he supports management and clients throughout the U.S. Chris' industry experience includes Environmental, Health & Safety, Facilities Services, Packaging, Precision Manufacturing, Chemicals and Industrial Distribution.

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Neve serves as a Market Intelligence Analyst at Capstone Partners covering the Industrials industry. Prior to joining the firm's Market Intelligence Team, Neve was an intern at the Bank of New York Mellon and Gray Private Wealth. Neve graduated with a Bachelor's of Science degree in Finance from Bentley University.

FIRM TRACK RECORD

Capstone Partners' Industrials professionals have represented clients across various Packaging end-market specialties. This focus allows Capstone Partners to provide packaging clients with real-time transaction feedback and immediate access to key decision makers among the industry's most active acquirers and investors. A sampling of Capstone Partners' closed transactions is shown below.

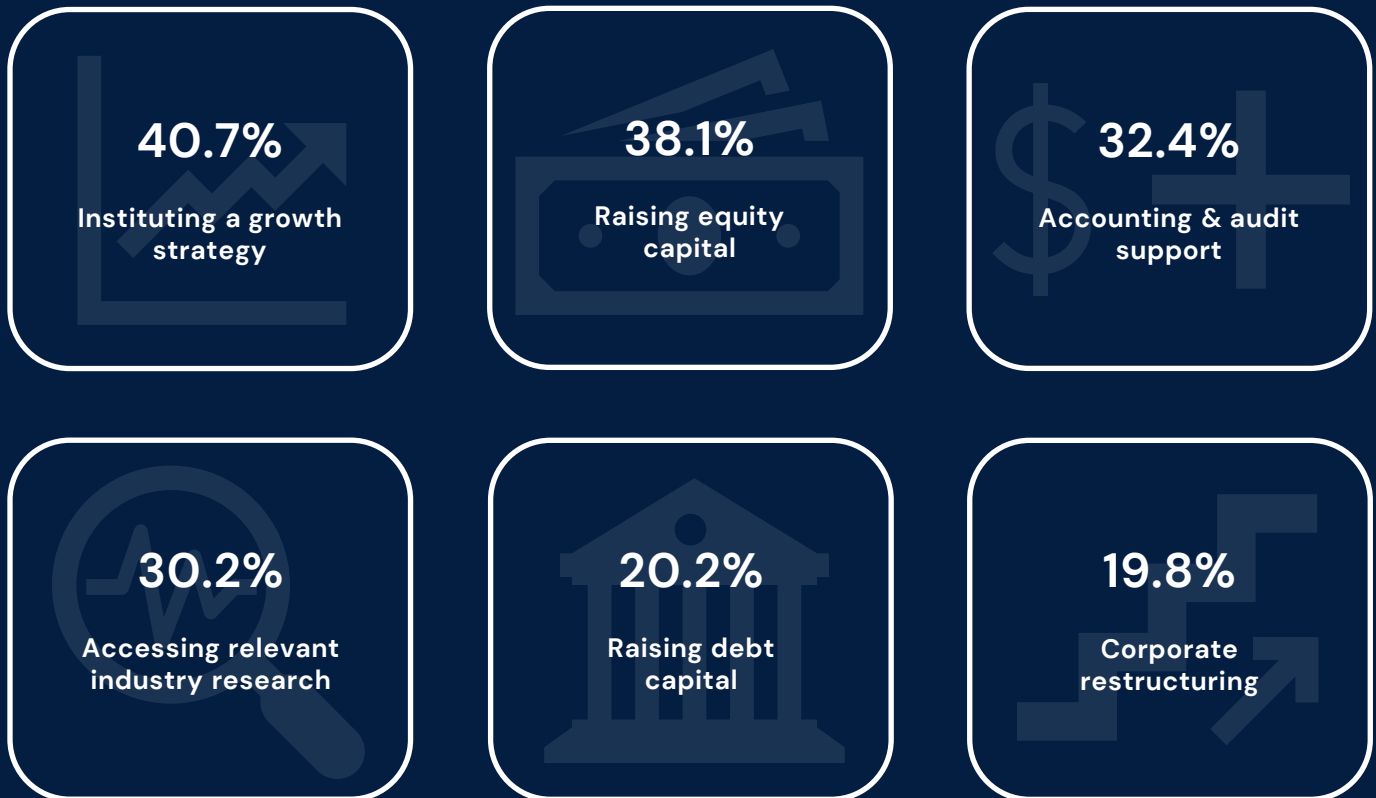
 <p>HAS BEEN ACQUIRED BY</p>  <p>a portfolio company of</p> 	 <p>HAS RECEIVED DEBT FINANCING FROM</p> 	 <p>ENGAGED CAPSTONE PARTNERS TO PROVIDE BUY-SIDE TRANSACTION ADVISORY SERVICES</p>	 <p>HAS BEEN ACQUIRED BY</p>  <p>A portfolio company of</p> 
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CAPSTONE'S PROPRIETARY RESEARCH REVEALS TOP SERVICES IN DEMAND

The stage and initiatives of a business often dictate which financial services are in demand. As the bulk of CEOs polled in Capstone's 2024 Middle Market Business Owners Survey indicated growth strategies are a priority for 2025, the lion's share (40.7%) of owners anticipate a need for growth strategy support services. Similarly, 38.1% of CEOs require equity capital advisory services to support operational initiatives and business expansion. Nearly one-third of owners require accounting and audit support to shore-up cash flows and establish financial stability. In addition, 30.2% of CEOs demonstrated an interest in accessing relevant industry research to keep up with emerging industry trends, complete competitor analyses, and track capital markets activity in their space.

Capstone has developed a full suite of [corporate finance solutions](#) to help privately owned businesses and private equity firms through each stage of the company's lifecycle, ranging from growth to an ultimate exit transaction. In addition, we developed specialty advisory practices to provide financial performance, buy-side, employee stock ownership plan (ESOP), and equity and debt services. All of these capabilities are supported by 12 industry banking groups, an active sponsor coverage group, and a dedicated Market Intelligence Team.

Top Financial Services Required by Business Owners in 2025



Question: Have you ever had, or do you anticipate having, a need for any of the following services?
Source: Capstone Partners' Middle Market Business Owner Survey, Rebased Sample Size (N): 278

ENDNOTES

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Disclosure

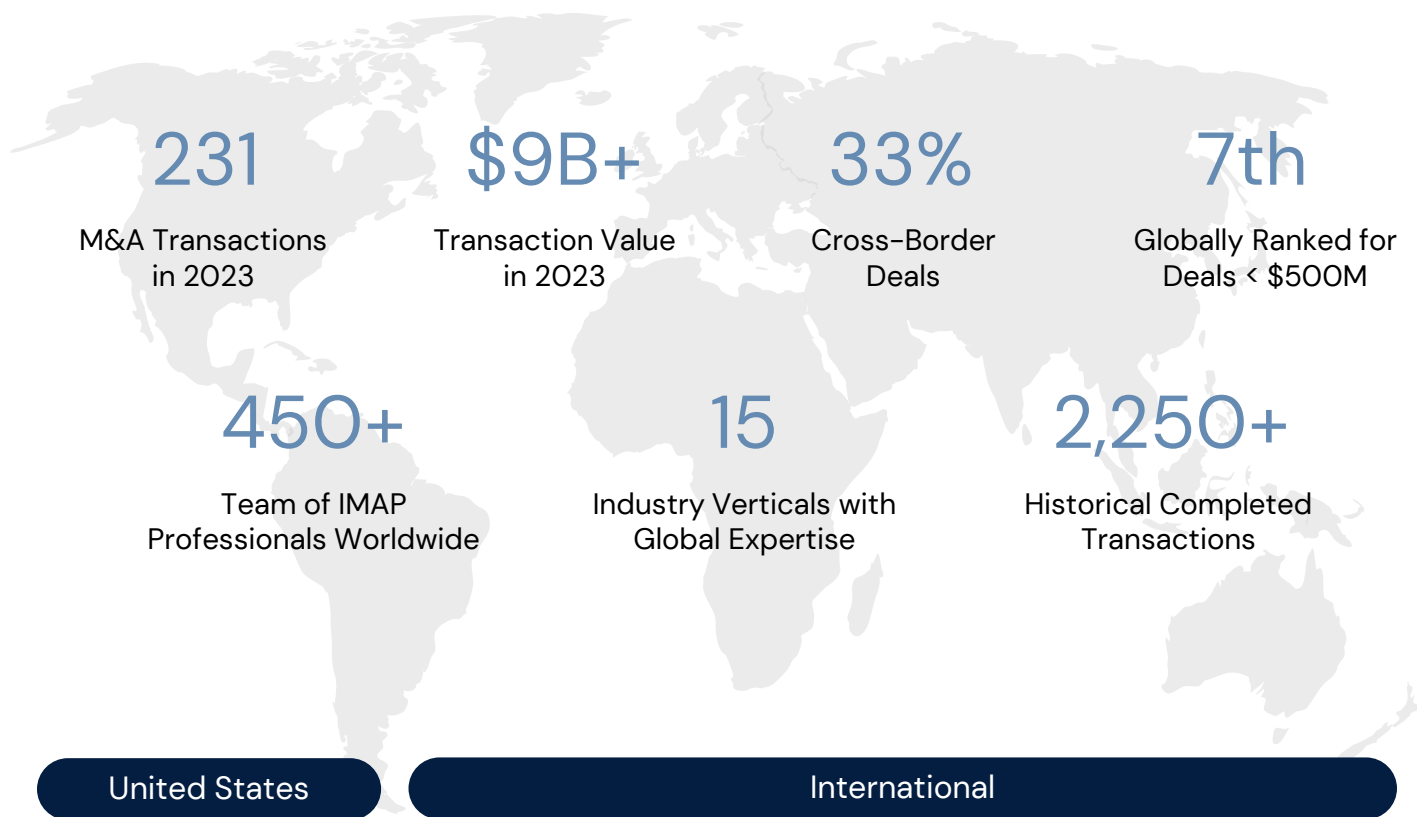
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CAPSTONE PARTNERS

Market Presence

With a long-established U.S. footprint, together with an international partner platform, we provide clients with broad expertise and access to key market relationships on a global basis. Our presence is backed by ~200 professionals in the U.S. with 450+ professionals across 41 countries.



~200 professionals
8 offices

Boston · Denver · Chicago · Dallas
Detroit · Irvine · New York · Tampa

450+ professionals
60+ offices in 41 countries

Asia: China · India · Japan · Thailand
Africa: Congo · Egypt · Ghana · Mauritius · Morocco · Senegal · South Africa
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