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# **Packaging M&A Update**

## **Q1 2025**

# Packaging M&A Update

## Q1 2025

### CONTENTS

3	Global Deal Analytics
7	Valuation Multiples
10	Leading M&A Deals
13	Industry Outlook
14	About R.L. Hulett
16	Selected Transactions
18	Our M&A Team

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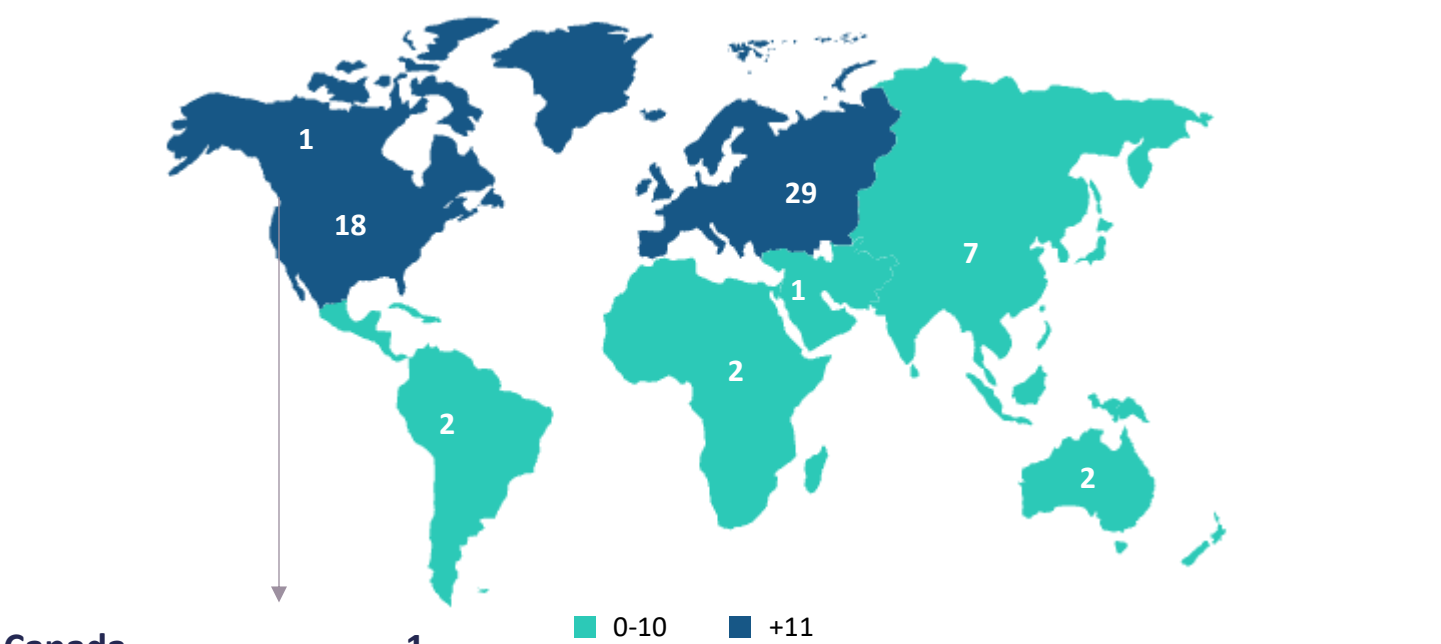
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### REPORT HIGHLIGHTS

- In Q1, the Dow Jones Containers & Packaging Index decreased by 4.2%, but outperformed a 4.4% drop in the S&P 500 over the same period.
- The median EV/EBITDA multiple for reported strategic deals in the Packaging sector decreased to 8.3x in Q1 from 9.0x in 2024, and the median EV/Revenue multiple for strategic buyers decreased to 1.1x from 1.3x over the same period.
- M&A deal volume in the sector decreased 10.1% in Q1 to 62 deals from 69 in Q4 2024, but increased 12.7% from 55 in Q1 of the prior year.
- As a % of total capital invested in M&A transactions, PE participation decreased significantly in Q1 to 3.5% from 14.3% in 2024.
- Europe was the most active region in Q1 with 29 deals. Most notably in Europe was International Paper's \$9.9 billion acquisition of DS Smith, a UK-based manufacturer of packaging products made from recycled paper materials, in January 2025.



Of the 62 deals in the Packaging sector in Q1, Europe was the most active with 29. A notable European deal (in addition to the DS Smith deal mentioned on the previous page) was Constantia Flexibles’ \$301.0 million acquisition of Aluflexpack, a Swiss provider of lacquered foil, lids, pouches, and printed foils, in March 2025. North America was the second most active with 19 transactions and all other regions combined for a total of 14 deals.



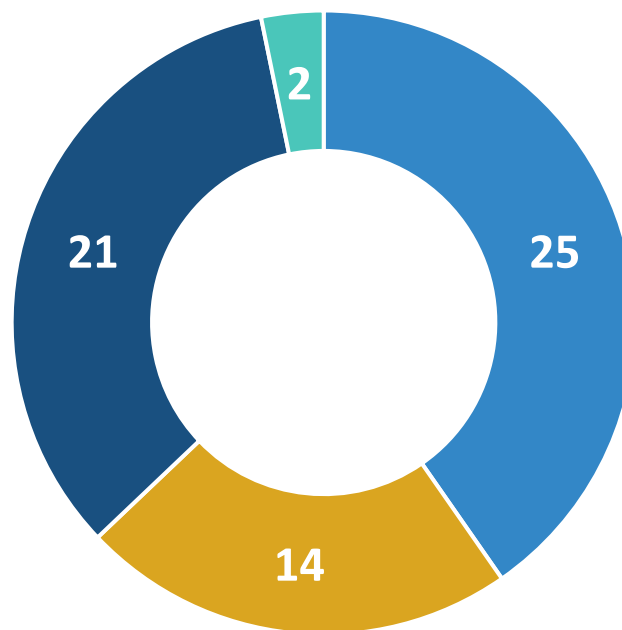
Canada	1
United States:	18
Great Lakes:	7
Southeast:	5
New England:	2
Mid Atlantic:	1
Others:	3

In the U.S. market, the Great Lakes and Southeast regions were the most active with 7 and 5 deals, respectively. Most notably in North America was Ball Corporation’s \$160.0 million acquisition of Florida Can Manufacturing, a provider of custom design, tooling, printing, and packaging services, in February 2025. The New England and Mid Atlantic regions saw 2 and 1 closed transactions, respectively, and all other U.S. regions combined for a total of 3 completed deals.

In Canada, 1 transaction was reported in Q1, Masterpack’s acquisition of PC Packaging and Design, a manufacturer of fine seal wrapping, foil packaging, pillow packaging, stand-up pouches, sleeves, and cold seal packaging, for an undisclosed amount in January 2025.

Of the 62 reported Packaging deals in Q1, 25 were in the Plastic subsector, making it the most active from an M&A volume standpoint. The Metal & Other and Paper subsectors saw 21 and 14 transactions, respectively, followed by the Wood subsector with 2 deals in the quarter.

## Deal by Subsector



■ Plastic

■ Metal & Other

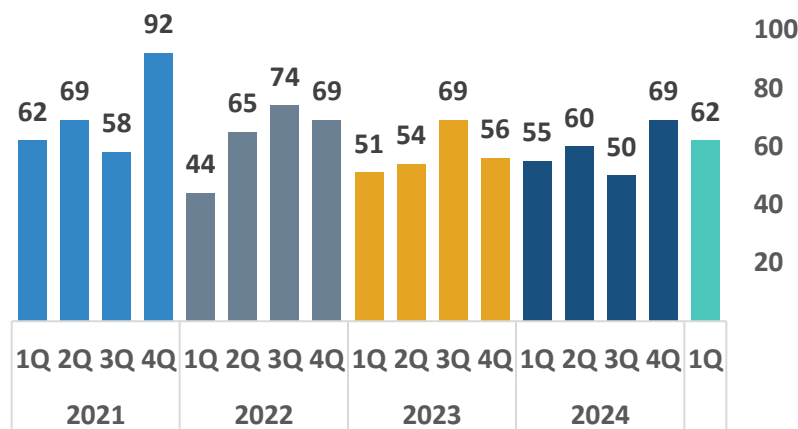
■ Paper

■ Wood



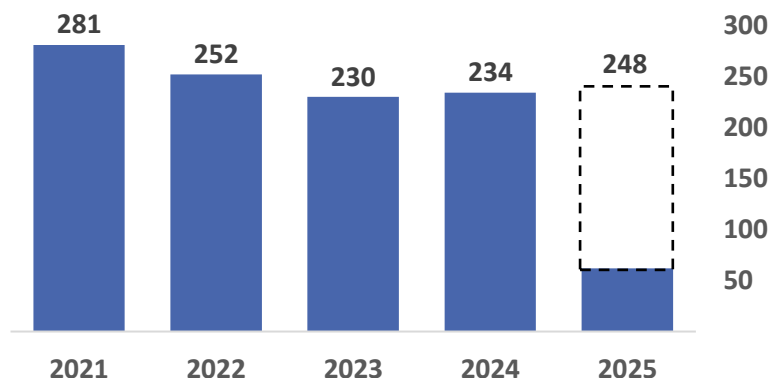
Deal volume in the Packaging sector decreased 10.1% in Q1 to 62 deals from 69 deals in Q4 2024, but increased 12.7% from 55 deals in Q1 of the prior year. Q1 represents a continuation in the trend of generally increasing quarterly deal volume seen since Q1 2023 and suggests a possible stabilization in the market despite ongoing macroeconomic headwinds such as elevated interest rates, public market volatility, and more recent U.S. tariff policies.

### Deal Volume



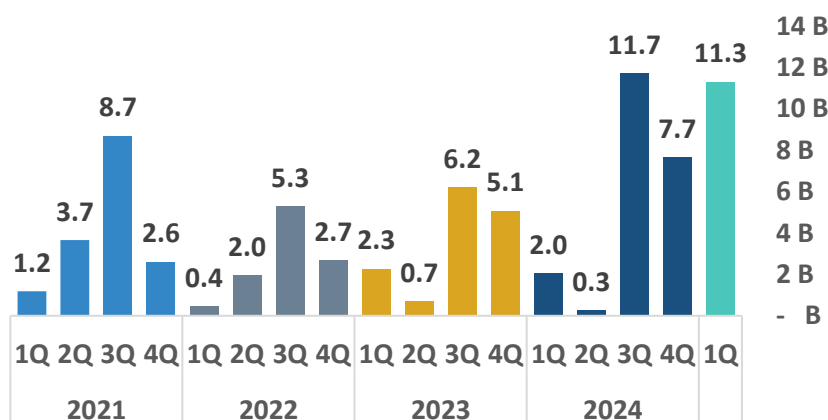
Annual deal volume is projected to increase 6.0% to 248 deals in 2025 from 234 in 2024. Despite a decrease in deal volume from the prior quarter, we attribute this projected increase in annual deal volume to improving economic conditions, stabilizing interest rates, and easing liquidity constraints. As we move further into 2025 and clearer tariff policy emerges, we anticipate strong M&A activity in the Software & Tech-Enabled Services sector driven by these favorable market conditions.

### Deal Volume



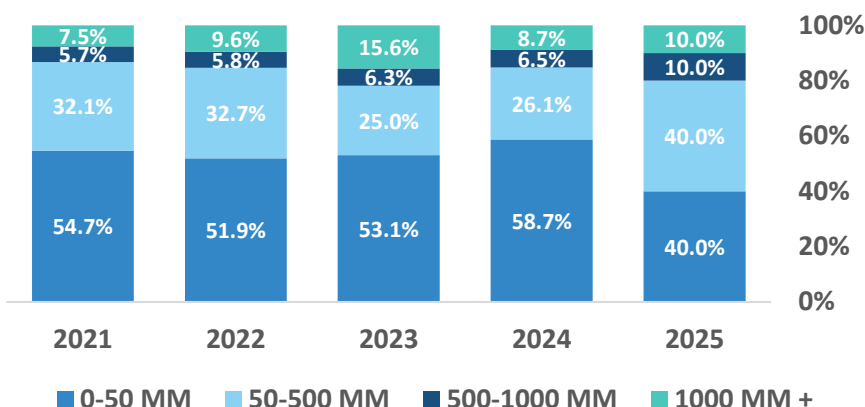
Despite a decline in quarterly deal volume, total capital invested in M&A deals in the Packaging sector increased 46.8% in Q1 to \$11.3B from \$7.7B in Q4, and increased 465.0% from \$2.0B in Q1 of the prior year. The increase from the prior quarter is primarily due to International Paper's \$9.9 billion acquisition of DS Smith in January 2025. Comparatively, the largest transaction in Q4 of the prior year was Sonoco's \$3.9 billion acquisition of Eviosys in December 2024.

### Total Capital Invested



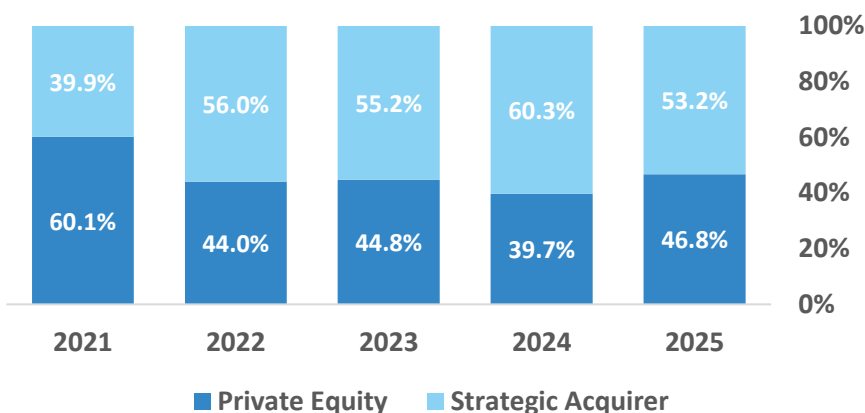
In Q1, we generally saw a shift in mix towards larger-sized deals from the prior year, specifically in the middle market (\$50 - \$500 MM), which increased to 40.0% from 26.1% in 2024. The upper middle (\$500 - \$1000 MM) and large cap (\$1000 MM+) tranches of the market both increased to 10.0% from 6.5% and 8.7%, respectively, in 2024. The lower middle market (\$0 - \$50 MM) decreased to 40.0% in Q1 from 58.7% in the prior year.

### Deal Volume by Deal Size



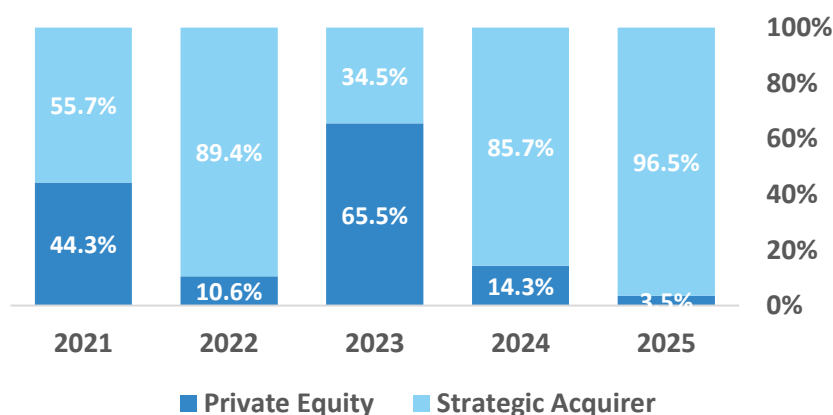
As a % of total deal volume, PE buyers have trended higher so far in Q1 relative to strategic buyers, representing 46.8% of deal volume in the sector and down from 39.7% in 2024. Q1 marks the highest percentage of deal volume from PE buyers since 2022.

### Deal Volume by Acquirer



Despite the trend in deal volume, total capital invested by PE investors (as a % of overall capital invested) decreased in Q1 to 3.5% from 14.3% in 2024. Q1 marks the lowest percentage of capital invested by PE buyers in the past five years, while strategic acquisitions, such as International Paper's \$9.9B acquisition of DS Smith demonstrate robust interest from large strategic buyers seeking growth opportunities in the Packaging sector.

### Total Capital Invested by Acquirer

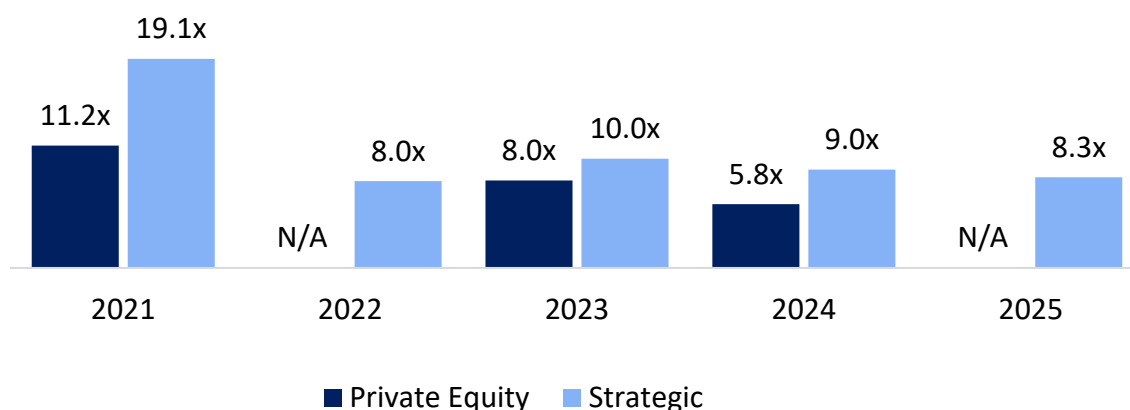


The median EV/EBITDA multiple for reported strategic deals decreased to 8.3x in Q1 from 9.0x in 2024, and no PE EV/EBITDA multiples were reported during the period.

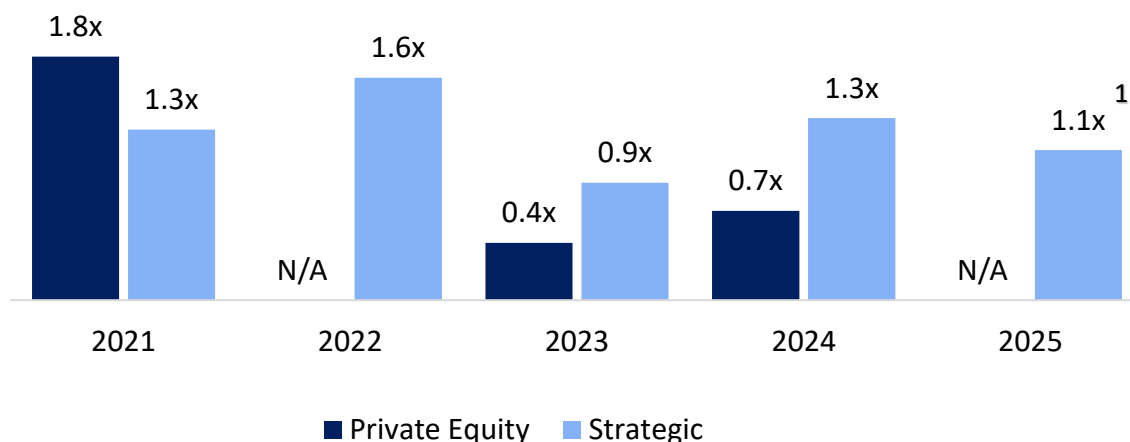
The median EV/Revenue multiple for reported strategic deals decreased to 1.1x in Q1 from 1.3x in, and no PE EV/Revenue multiples were reported during the period.

Q1 marks the second lowest median EV/Revenue multiple for strategic buyers in the past five years.

## Reported EV/EBITDA Multiples



## Reported EV/Revenue Multiples



<sup>1</sup> Only two Strategic EV/Revenue multiples were reported in Q1 2025, and one was excluded for being an outlier.

## Active Strategic Investors

Investor	2025 Packaging Investments	Select Targets
	1	
	1	
	1	

## Active Private Equity Investors









Investor	2025 Packaging Investments	Select Targets
	1	
	1	
	1	



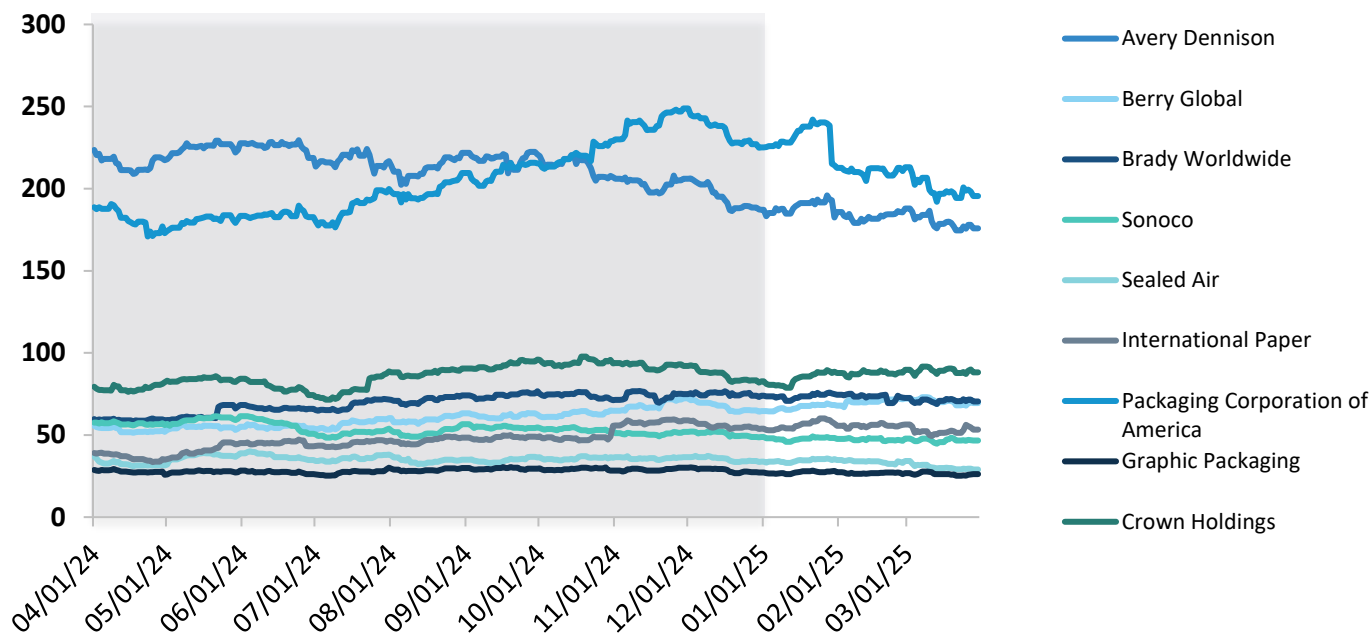
# Largest Deals (Disclosed)

Deal Date	Company Name	Investors	Deal Type	Deal Size (\$mm)	EV		Target Business Description
					Revenue	EBITDA	
04-Mar-2025	Aluflexpack	Constantia Flexibles	Buyout/ LBO	\$ 301.0			Provider of lacquered foil, lids, pouches, and printed foils.
01-Mar-2025	B&I Polycontainers	Growth Capital Partners	PE Growth/ Expansion				Manufacturing of plastic packaging, intended for ensuring service excellence, product consistency, and sustainable development.
17-Feb-2025	Srichakra Polyplast	Action Tesa, Green Generation, Mission Street	PE Growth/ Expansion	9			Manufacturer of food grade bottle to bottle recycled products.
04-Feb-2025	Florida Can Manufacturing Ball		Merger/ Acquisition	160			Provider of custom design, tooling, printing, and packaging services.
04-Feb-2025	BEWI	The Rock Capital Group, Unipol Holland	Buyout/ LBO	78			Manufacturer of polystyrene beads intended to serve sustainable packaging and insulation market.
04-Feb-2025	Adrene	Butterfly Packaging, ILP Group	Buyout/ LBO				Provider of eco-friendly products intended to reduce the environmental impact of industrial and consumer applications.
31-Jan-2025	DS Smith	International Paper	Merger/ Acquisition	9,900	1.10x	8.29x	Manufacturer of packaging and packaging-related products.
31-Jan-2025	Poppies Europe	Duni Group	Merger/ Acquisition	59	14.03x <sup>1</sup>		Manufacturer of disposable paper tableware products intended for the catering industry.
30-Jan-2025	Blue Ocean Closures	Nissha Printing Company	Corporate				Manufacturer of fiber-based closures intended to replace and reduce plastic waste.
27-Jan-2025	Q de Bouteilles	Finorpa, VERRERIE DU SUD	PE Growth/ Expansion	1			Manufacturer of upcycled glassware and decor using recycled glass bottles.
13-Jan-2025	The Pitreavie Group	Macfarlane Packaging	Merger/ Acquisition	22			Manufacturer of packaging and industrial solutions based in Glenrothes, United Kingdom.
08-Jan-2025	Saptagiri Packaging	Canpac Trends	Buyout/ LBO	7			Manufacturer of packaging materials intended for consumer companies.
08-Jan-2025	Amcor Flexibles Dax	EIM Capital	Buyout/ LBO				Manufacturer of packaging products based in Dax, France.
06-Jan-2025	CPMC Holdings	Huarui Fengquan Development	Merger/ Acquisition	772			Operator of an investment holding company engaged in the manufacturing and sales of packaging products.
01-Jan-2025	Ace Engineering	Loftyrock Investment, SB Partners	PE Growth/ Expansion				Manufacturer of containers intended for the ocean, aerospace, semiconductor, military, and other sectors.
01-Jan-2025	Axium Packaging	BNP Paribas Développement	Buyout/ LBO				Manufacturer of plastic packaging intended for food, health, and beauty, leisure, and chemicals industries.
Mean				1,131	7.57x	8.29x	
Median				68	7.57x	8.29x	
High				9,900	14.03x	8.29x	
Low				1	1.10x	8.29x	

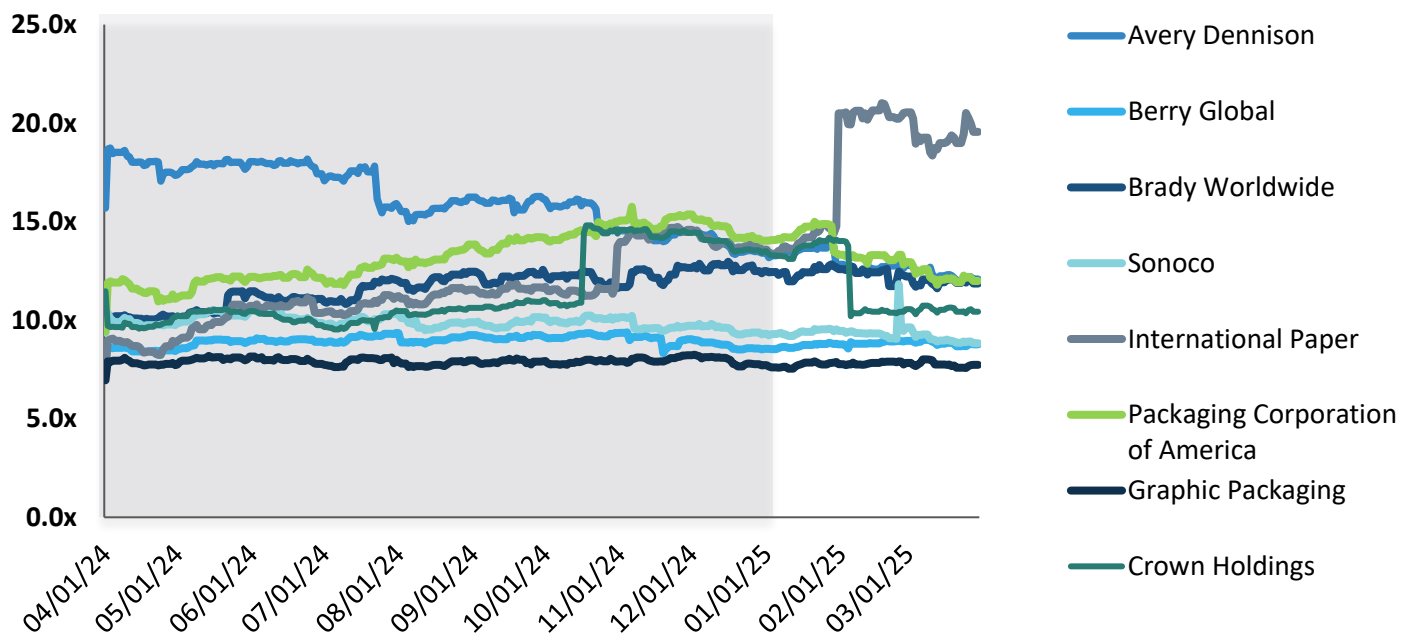
<sup>1</sup> Excluded for being an outlier.

Target	Investor	Driver	Deal Synopsis
		<b>Merger/ Acquisition</b>	DS Smith, a UK-based manufacturer of packaging products made from recycled paper materials, was acquired by International Paper for \$9.9 billion in January 2025. The acquisition positions International Paper as an industry leader with an enhanced focus on geographic expansion, particularly across North America and the EMEA regions.
		<b>Buyout/LBO</b>	Aluflexpack, a Switzerland-based provider of flexible packaging solutions, was acquired by Constantia Flexibles for \$201 million in March 2025. The acquisition strengthens Constantia Flexibles' position in aluminum-based flexible packaging, adds scale in key European markets, and enhances its capabilities across food, pharma, and personal care end markets.
		<b>Merger/ Acquisition</b>	In February 2025, Ball Corporation acquired Florida Can Manufacturing, a provider of custom design, tooling, printing, and packaging services, for \$160.0 million. The acquisition of Florida Can Manufacturing will strengthen Ball Corporation's North & Central American supply network, allow them to meet regional demand, and align with where customers are growing which can lower shipping costs.
		<b>Merger/ Acquisition</b>	BEWI, a Norwegian manufacturer of polystyrene beads for the sustainable packaging market, was acquired by Rock Capital and Unipol Holland for \$77.6 million in February 2025. With this acquisition, Rock Capital will create a leading producer of expanded polystyrene through merging BEWI's raw material division with Unipol Hollands' polystyrene portfolio.

## Stock Price

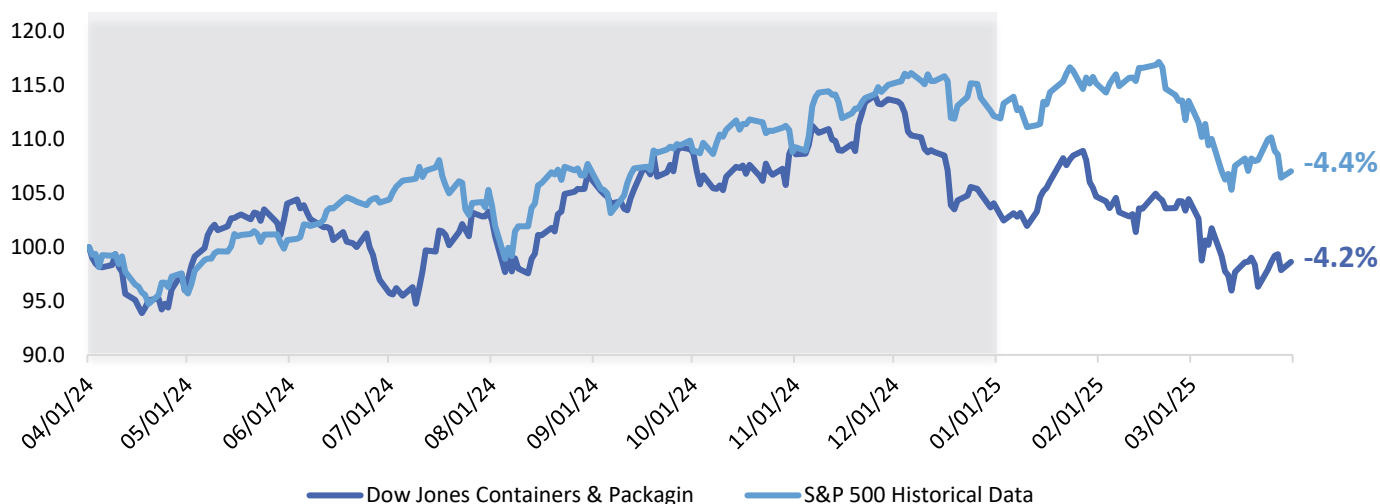


## EV/EBITDA



## Index Performance

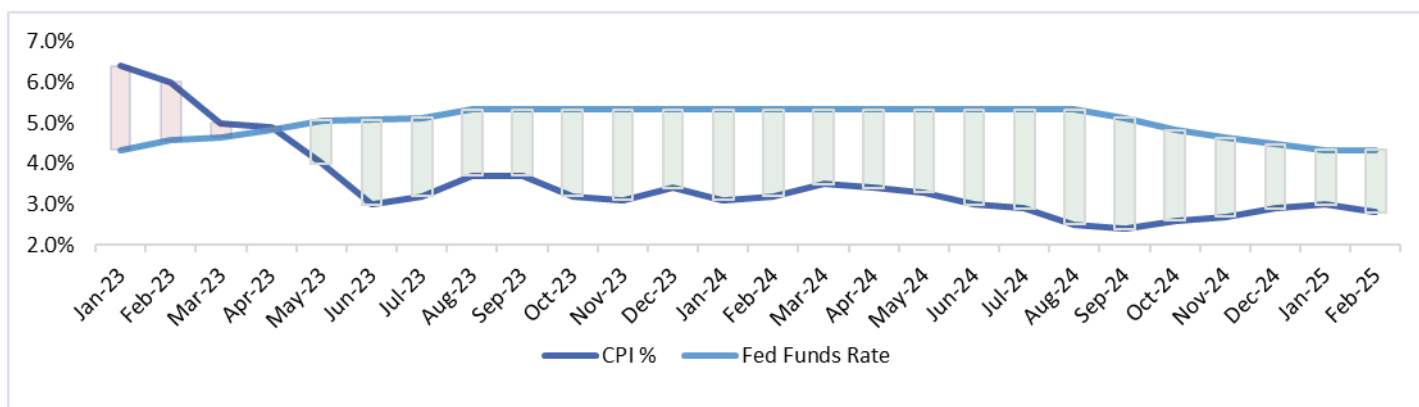
In Q1, the Dow Jones Containers & Packaging Index decreased by 4.2%, but outperformed a 4.4% drop in the S&P 500 over the same period.



## Key External Drivers

Due to a burgeoning Direct-to-Consumer e-commerce market fueled in large part by the growth of Amazon and parcel delivery driving demand for packaging, the sector is tied to consumer spending but does tend to be more stable and resistant to volatility in the broader economy than other industries.

In March 2025, the Federal Reserve left the federal funds rate unchanged, maintaining its target range of 4.25%–4.50%, as expected. The central bank reaffirmed its forecast for two quarter-percentage-point cuts later in the year, following three rate reductions in 2024 due to slowing inflation. Despite this cautious stance, looming tariffs could reignite price growth and hinder economic expansion. The Fed also revised its forecast for U.S. gross domestic product (GDP) growth down to 1.7%, a decrease from the 2.1% growth rate projected in December. This strategy reflects the Fed's ongoing efforts to balance inflation control with sustaining economic momentum amid challenges, including the threat of higher tariffs. While market volatility remains, the M&A environment continues to be favorable for strategic deal-making and capital deployment.



## Emerging trends in the Packaging M&A space:



### Sustainable Packaging

#### *Revolutionizing packaging with sustainable materials*

Algae-based and mushroom-derived packaging solutions are making significant strides, particularly in niche markets. Hybrid materials that combine sustainable options with high-performance functionality are helping to bridge the gap between cost and ecological responsibility, setting the stage for scalable, compostable solutions.



### AI Transforming Packaging

#### *AI-driven innovation in packaging and retail efficiency*

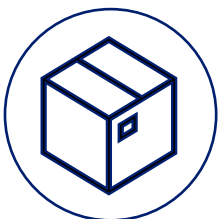
Retailers like Walmart are using AI to analyze real-time data, improve inventory management, and identify buying trends. AI is also being used to create right-sized packaging, reducing shipping materials and supporting sustainability. Packaging designers are adopting generative AI to prototype quickly, refine designs, and create personalized packaging, even incorporating digital printing for customized customer experiences and brand efficiencies.



### Interactive Experiences

#### *Enhancing consumer engagement through innovative packaging*

Today's consumers crave unique experiences, and package design plays an increasingly important role in creating these moments. Packaging is evolving beyond product protection and visual appeal to help engage and connect with consumers through interactive innovation. Digital tools like QR codes and near-field communication (NFC) technology allow consumers to interact with brands in more robust and engaging ways.



### Standing Out With Unique Packaging

#### *How unique packaging helps brands stand out in a saturated market*

As the marketplace becomes more crowded and digital shopping grows, packaging must capture attention quickly. Brands only have a few seconds to stand out, making unique packaging essential. Some brands are pushing boundaries with unexpected designs that break away from traditional packaging, attracting attention in a sea of similar products. This trend, known as "chaos packaging," is gaining traction as brands compete for shelf space and look for new ways to engage consumers.



## Proven, Professional, Principled.

Investment Bankers for the Middle Market

### About

R.L. Hulett is a middle-market investment bank based in St. Louis, Missouri, providing M&A and financial advisory services to middle-market companies. Since its founding in 1981, the firm has advised in over 280 transactions in a variety of industries including Packaging, Food & Consumer, Industrials, Business Services, Transportation & Logistics, Healthcare and Software/Tech-Enabled Services. The firm has an experienced team of M&A advisors consisting of former business owners, seasoned corporate executives, professional service firm partners, CPAs and MBAs. Our ability to deliver customized solutions to meet or exceed our clients' expectations is what sets us apart from our competitors.

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### Our Clients

**\$10 - 250MM**  
Revenue

**\$2 - 20MM**  
EBITDA

**Middle Market**  
Privately Owned

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### Industries Served



**Plastics &  
Packaging**



**Healthcare**



**Tech-Enabled  
Services**



**Industrials**



**Transportation  
& Logistics**



**Food &  
Consumer**



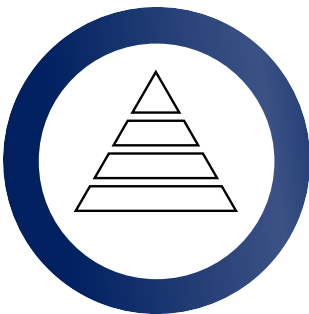
## **Sell-Side Advisory: Sell your business**

Sell your business for the highest price and for the best terms. At R.L. Hulett, communicating the value of your business to targeted buyers and finding the best fit for your team is our forte. We strive to maintain your company's culture and heritage even as you transition out of your business.



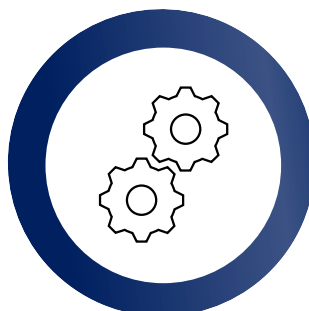
## **Buy-Side Advisory: Buy a business**

Searching for acquisition targets can be a challenging and time-consuming task when trying to run your own business at the same time. Navigating the risks and pitfalls in negotiating valuation and deal structure can also be a daunting task for many business owners. Let our team help you minimize your risk and reduce time wasting efforts with our decades of experience in advising in both buy and sell-side M&A transactions. We utilize industry-leading M&A databases to scout for opportunities and pre-screen for "real" actionable targets so you can stay focused on what matters.



## **Capital Raise: Gain financial support**

With nearly 40 years of experience in middle-market M&A advisory, we know how to package up your deal and put you in front of the right kind of investors who have the capital and the industry expertise you need to grow your business. Our team will develop a go-to-market strategy and advise on deal structure, valuation, due diligence and transition issues. Whether you are seeking capital for growth or trying to buy out other shareholders, we have the tools, expertise, and experience to execute a strategic process and find the optimal outcome to meet your objectives.



## **Restructuring: reorganization of your business**

In today's uncertain economic times, more and more companies are finding themselves in unfamiliar, and unwanted, positions. Many business owners are hoping recovery is just around the corner; however, proactive measures are often required to maximize the remaining value of the business. Our team can aid banking institutions with workout situations by implementing internal controls over cash management and performing on-going cash flow modeling for their clients. We can also help business owners avoid having trouble making payments on their debts and avoid the cumbersome and low-value asset liquidation process.

Below are two recent transactions facilitated by R.L. Hulett, showcasing our expertise in the Packaging Industry. Each transaction exemplifies our commitment to delivering exceptional value and strategic growth for our clients.



have been acquired by



a portfolio company of



**The Seller:** Based in St. Louis, Missouri and Hong Kong with additional warehouse locations in California and Virginia, Team Three is a leading global distributor of paper, packaging and disposable plastic products to the foodservice industry. Co-founded by Bob Hubbard and Roy Van in 2009 to create a global platform for companies seeking to expand their sourcing options, Team Three has organically grown revenue and income every year since inception and was awarded a global sourcing role with one of the largest foodservice distributors in the U.S.

**The Buyer:** Headquartered in Exton, PA, AmerCareRoyal (“ACR”) is a single stream resource for over 6,000 disposable products used in the foodservice, janitorial, sanitation, industrial, hospitality and medical industries. With multiple shipping points across North America, ACR’s family of companies service national level customers with outstanding customer service and an ever-growing product line.

**Transaction Rationale:** With the acquisition of Team Three, ACR is positioned as a leader in their market while also creating a better value proposition for customers.



DEDICATED CONVERTING  
GROUP

has sold substantially all  
of its assets to

*Vidya Holdings*



**The Seller:** Dedicated Converting Group, Inc. is a Midwest-based converter of coverboard panels, foam padded panels, and other specialty paperboard products. The Company differentiates itself by its rapid response time, extensive product offering, and innovative features. With two manufacturing facilities in the Midwest, the Company is uniquely positioned to leverage its proximity to both customers and suppliers.

**The Buyer:** Vidya is the investment vehicle for the Patel family. The principals of Vidya have a long track record of investing in packaging and printing related businesses. Vidya’s principals were formerly the owners and operators of Flexo Converters, Inc., which was acquired by Novolex in July 2021.

**Transaction Rationale:** Vidya Holdings acquired Dedicated Converting Group (DCG) to expand its investment in the packaging industry.



Over the years, R.L. Hulett has completed hundreds of transactions in a wide variety of industries. Below are several relevant transactions in the Packaging sector. Please note that this list is not comprehensive.



have been acquired by





has sold substantially all  
of its assets to





have been acquired by








has sold substantially all  
of its assets to





has been acquired by






**R. Trevor Hulett, CPA**  
Managing Director  
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Mr. Hulett has led M&A transactions in a variety of industries including manufacturing/industrial, software development/IT, business services and value-added distribution for over 15 years. Prior to joining the firm, he held senior level accounting and financial management positions in both public accounting and large corporations. Mr. Hulett began his career as a Certified Public Accountant with MPP&W, a St. Louis-based public accounting firm specializing in middle market companies. He then held various management positions in internal audit and corporate accounting with a Fortune 1000 industrial manufacturing company and also spent nine years with Enterprise Rent-A-Car Company as a department manager in the Corporate Accounting group. Mr. Hulett holds his Series 62, 63 and 79 securities registration. Mr. Hulett earned a Bachelor's Degree in Accounting from the University of Missouri, Columbia.



**David T. Vass**  
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Mr. Vass has over 30 years of business management experience including more than 10 years as President of a highly successful consumer products manufacturing company with revenues exceeding \$25 million. During this time, he not only reversed a declining sales and earnings trend, but increased both sales and operating income over 100%. In addition, he has spent over 20 years at the executive level of Vice President of Sales and Business Development. Mr. Vass also has experience in a number of other industry niches including consumer products, commercial furniture and fixtures and metal recycling. He holds a Bachelor's Degree in Economics from DePauw University and an MBA from the University of Michigan.



**Christopher Riley**  
Senior Advisor  
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Mr. Riley has owned, operated, and sold multiple businesses spanning five decades in the technology, fabrication, hospitality, real estate, social media, financial services, automotive, private equity and business services industries. He owns multiple companies, United Cutwater and Cutwater Advisory Partners, that focus on identifying, funding, growing, and exiting businesses at their Optimum Value. Prior to joining the firm, he worked in New York in the investment banking industry for 10 years. He began his career with American Express as an Estate and Tax Planning Specialist. With degrees in Finance and Philosophy and a Master's in Organizational Psychology, Chris was educated at Santa Clara University, the London School of Economics and the Harvard Business School. Chris is Series 79 and Series 63 licensed, has seven board certifications in cyber intelligence, and is a licensed forensic investigator.



**Ron Litton**  
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Mr. Litton has been advising business owners in mergers and acquisitions since 2013. His primary industry focus areas have included industrials, paper and packaging, distribution, energy, promotional products and direct to consumer e-commerce. Prior to 2013, Mr. Litton held a variety of C-level roles with several companies in the paper and packaging industry including Unisource, Maverick Paper, Universal Graphics and Sabin Robbins. He has bought and sold a number of businesses, advised in the sale of family/founder owned businesses, and advised in start-ups and turnaround situations for banks, owners, and private equity firms. He enjoys working with owners that want to sell or transition out of their businesses. Ron covers the Kansas City and surrounding markets for the firm. He graduated from Central Missouri State University with a BS in Graphic Arts Technology and Management.



**Ryan Hartman**  
Senior Analyst  
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Ryan provides analytical support for senior-level deal managers and, as a senior analyst, supervises the preparation of confidential memorandums, financial models and industry research reports. Ryan graduated with a Bachelor of Science degree in Finance from The Freeman School of Business, Tulane University. Prior to joining the firm, Ryan worked as an equity analyst for Burkenroad reports, an equity research program that produces widely circulated financial reports on small- to medium-sized companies. During his time at Tulane University, Ryan was elected as Vice President of Administration for Tulane's community government, took extensive courses in Investment Banking M&A transactions, and volunteered as a data analyst for American Red Cross.



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Lynda Hulett leads the firm's marketing, administrative and communication efforts. She maintains the firm's proprietary CRM database, manages outbound firm communications and provides administrative support to senior deal managers. Prior to joining R.L. Hulett, Lynda spent the previous ten years in various marketing and administrative functions. Most recently, she worked as a client liaison providing administrative support for a CPA firm. Prior to that, she was employed by Moneta Group, a financial services advisory firm, where she provided marketing and administrative support to the client managers. Lynda graduated from the University of Missouri – Columbia, receiving her business degree with an emphasis in Marketing.



**Robert L. Hulett**  
In Memoriam:  
1943-2024

Mr. Hulett founded the firm in 1981 and has negotiated and completed more than 200 transactions throughout his career. He began his career as a Certified Public Accountant and practiced with Peat, Marwick, Mitchell & Co. in St. Louis as an Audit Manager and in New York as the Director of Training for Private Business. Mr. Hulett has also served as Chief Executive & Board Member for various middle market companies. As an educator, he was an adjunct professor at New York University and a tenured faculty member at Lindenwood University in St. Louis. He conducted training sessions for middle market CPA firms throughout the country for more than ten years. Mr. Hulett earned his BS/BA Cum Laude in Accounting from the University of Missouri-Columbia, and an MBA from Lindenwood University.



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***Trusted Advisors. Tenacious Advocates.***

*The data in this document has been derived from PitchBook Data and has been compiled by R.L. Hulett. This document is strictly for illustrative purposes only. The data presented in this document is not comprehensive and should not be used for benchmarking, valuation, or for any other decision making. R.L. Hulett accepts no responsibility for loss or damage caused by dependence on the information in this document.*