

# PRINT · PACKAGING

SECOND QUARTER

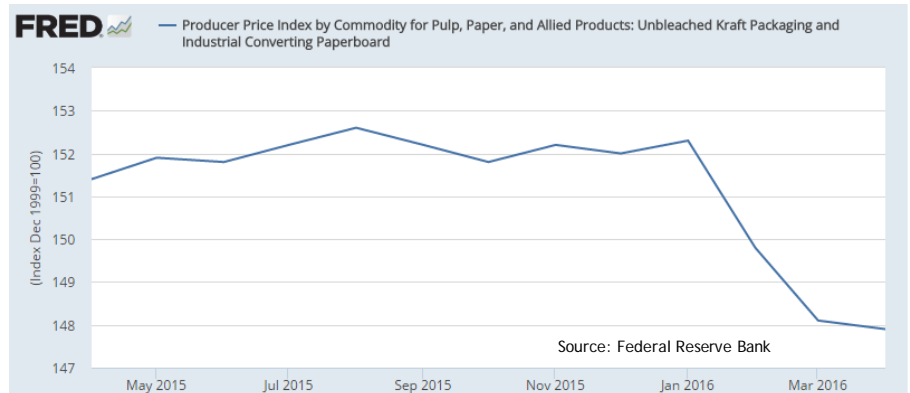
2016

This Industry Practice Group was established to draw on the experience of CFA advisors, many of whom as former business owners and CEOs, have first-hand knowledge and have completed many transactions in this industry. Working with your local CFA representative, you can be sure that the collective wealth of knowledge is available to every CFA client.

## Print | Packaging M&A

M&A activity for North American based target companies in the Printing and Packaging sector for Q1 2016 included 66 closed deals, according to data published by industry data tracker FactSet. The average transaction value was \$100 million.

In early January WestRock Company (NYSE:WRK), the new entity borne out of the MeadWestvaco and RockTenn merger, announced that it completed the acquisition of Cenveo Packaging, a leading provider of value-add folded carton and litho-laminated display packaging solutions. Cenveo Packaging is a division of Cenveo, Inc. (NYSE:CVO). The transaction was very strategic giving WestRock seven facilities in North America with capabilities including MiraFoil®, cold foil and low migration ink systems.

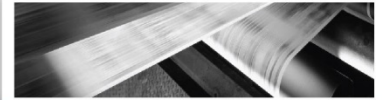


Pulp and paper commodity pricing tailed off significantly in the first quarter lowering manufacturing costs and providing a great opportunity for box manufacturers to hedge their bets on raw materials.

## Transactional Overview

Notable closed transactions for the period in the Print and Packaging sector include:

- February 2016** - Multi Packaging Solutions International Ltd acquired Chicago Paper Tube & Can Co for US\$8 million in cash. Multi Packaging Solutions International Ltd. engages in the provision of packaging products and services for consumer, healthcare, and multimedia markets. Chicago Paper Tube & Can Co. manufactures recycled packaging paper tube.



MERGERS, ACQUISITIONS, AND  
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- January 2016** - CCL Industries Inc. acquired Mabel's Labels Inc. for CAD12 million (US\$8.6 million) in cash. The acquisition also includes Mabel's Labels Retail Inc., the retail business of Mabel's Labels Inc. CCL Industries, Inc. engages in the development of label solutions for global producers of consumer brands in the home and personal care, healthcare and specialty, automotive and durable goods, premium food and beverage sectors. Mabel's Labels, Inc. provides personalized name, school, and clothing labels for children and adults.
- March 2016** - Orora Ltd acquired IntegraColor Ltd, a portfolio company of Hancock Capital Management LLC for US\$77 million. Orora Ltd. engages in the manufacturing and distribution fibre, glass and aluminum beverage cans. IntegraColor Ltd. engages in the provision of printing, finishing, and fulfillment services.

Selected Q1 Closed Transactions	
Target/Issuer	Buyers/Investors
Deluxe Packages	Amcort Ltd.; Amcor Flexibles, Inc.
RP Graphics Group Ltd.	The Lowe-Martin Group
Technorati, Inc.	Synacor, Inc.
IntegraColor Ltd.	Orora Ltd.
Reboot Illinois LLC	AFK Media Group LLC
Scope Packaging, Inc.	Smurfit Kappa North America LLC
Empire Packaging & Displays	Smurfit Kappa North America LLC
Metro Packaging & Imaging, Inc.	Graphic Packaging International, Inc.

## Industry Update

Global demand for security printing services is forecast to increase nearly 6% per year between 2015 and 2020, according to a recent report by Smithers Pira. Security printing uses overt and covert print-based features to deter counterfeiting while providing a means of in-field authentication. Security printing techniques include watermarking, holograms, magnetic inks, optically variable color changing inks, and RFID. Brand protection is expected to be a strong growth segment for security printing in industries including pharmaceutical packaging, and tobacco and alcoholic beverage labels as companies seek compliance with government regulations and to protect against counterfeiting. Other top security printing market segments include checks, ticketing, payment cards, and stamps.

The global inkjet print and printed packaging market, currently valued at nearly \$62 billion, is expected to grow nearly 13% per year between 2016 and 2021, according to a March 2016 report by Smithers Pira. Demand for inkjet printing is rising in part because of cost benefits relative to analog and digital printing technology. Key growth markets for inkjet include packaging, labels, and textile printing. Inkjet also offers value-added opportunities with the capability to use thicker inks and specialty fluids that add texturing and dimensional printing effects.

### Industry Indicators

- US nondurable goods manufacturers' shipments of printed goods, an indicator of demand for commercial printing, rose 2.0% year-to-date in March 2016 compared to the same period in 2015.
- The spot price of crude oil, a key cost factor in commercial printing operations, fell 23.7% in the week ending May 6, 2016, compared to the same week in 2015.

The Print & Packaging Practice Group is a multi-disciplinary group of investment banking advisors within Corporate Finance Associates. Collectively, the Print & Packaging Practice Group provides M&A advice to public and private companies in all sectors of the print and packaging industries, including flexible packaging, paper and durable labels, packaging equipment, materials and supplies, pulp and paper mills and commercial printing.

