

Capital Markets and Investment Banking

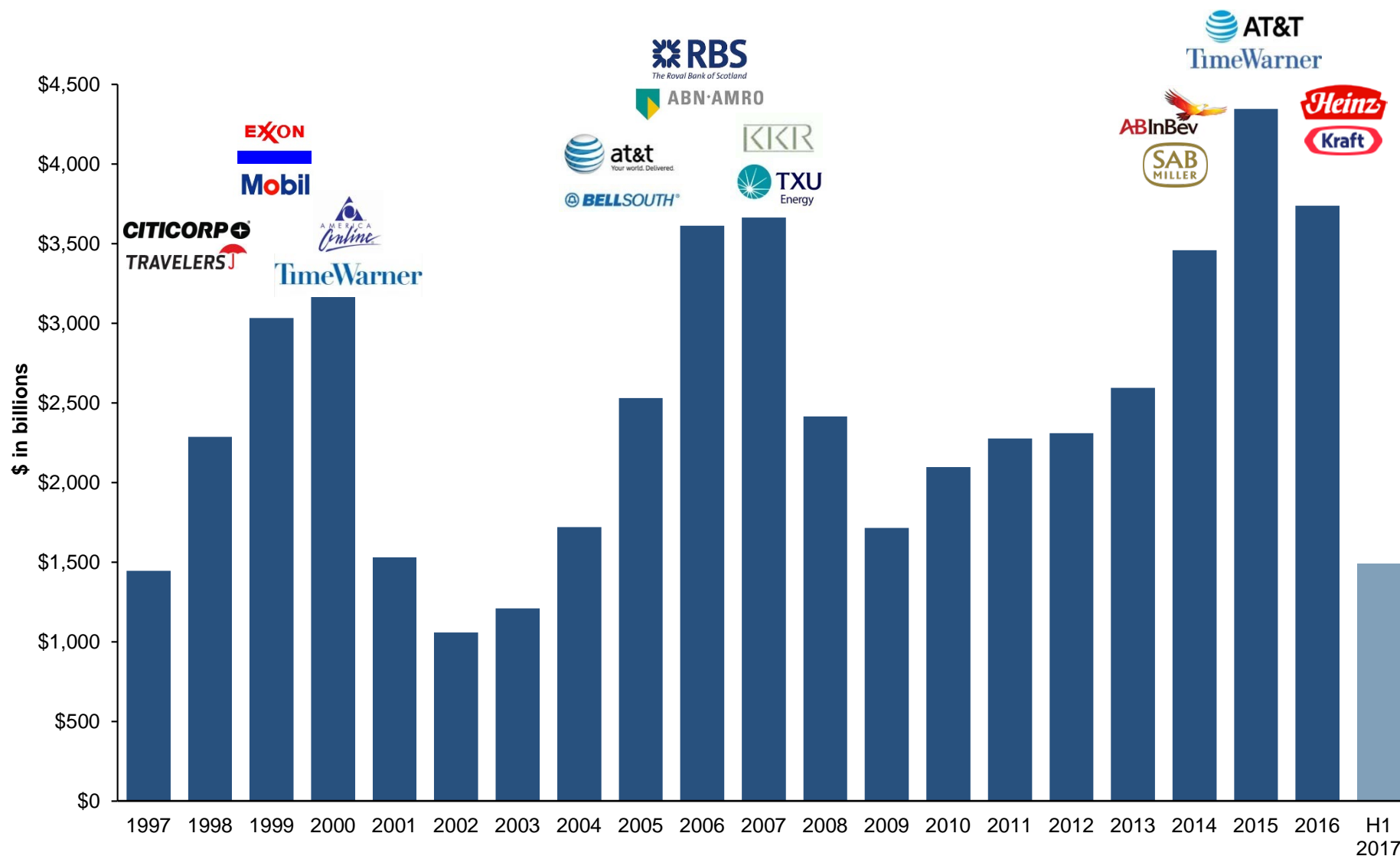
Driving Value Through Mergers and Acquisitions

October 17, 2017

Rick Weil
Managing Director

Historical Global M&A Total Transaction Value by Year

For the Periods Ended December 31, 1997 – 1H 2017



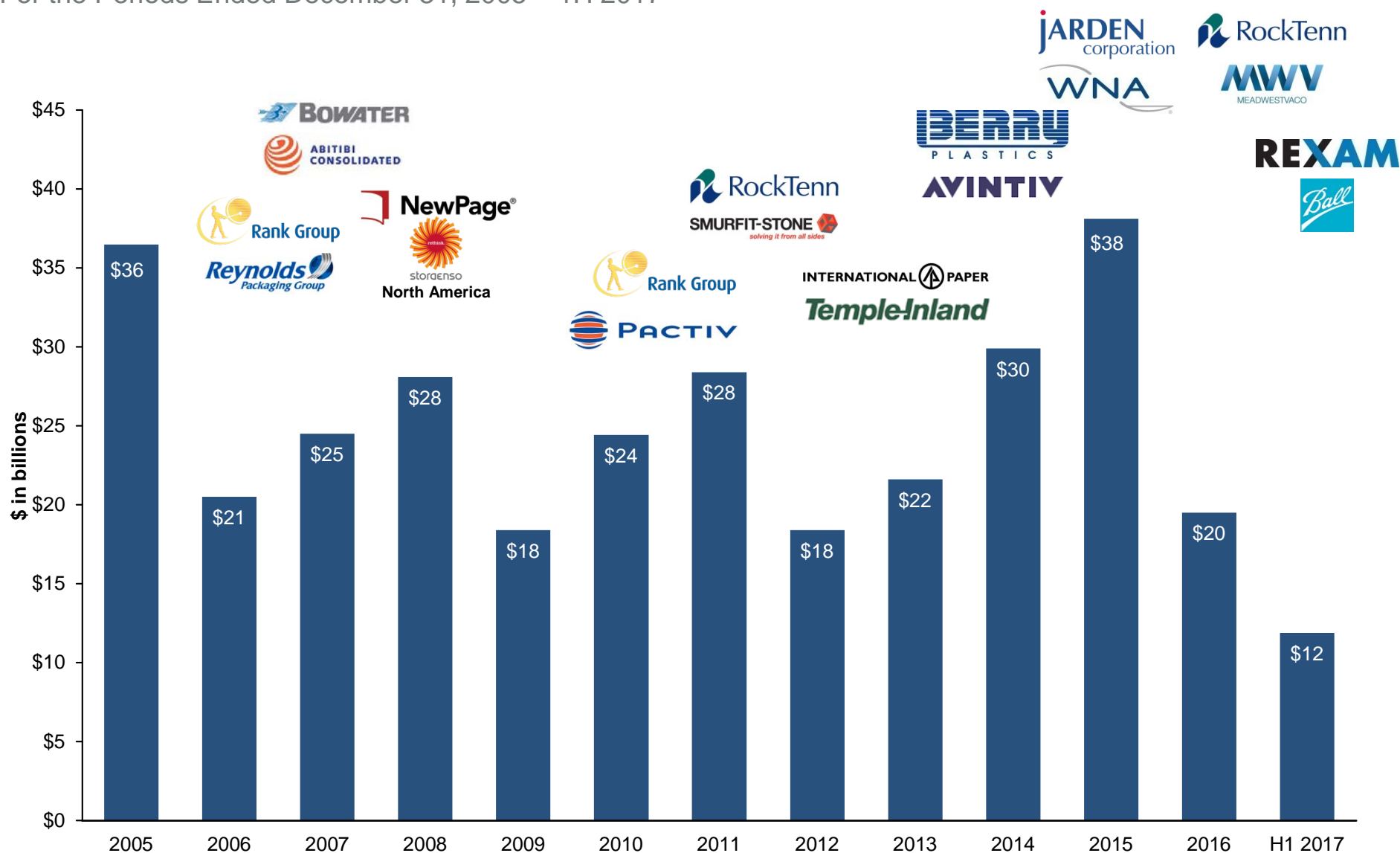
Sources: Dealogic, S&P Capital IQ, MergerMarket.

Note: Mesirow Financial did not represent any of the acquirers or targets in connection with the transactions noted on this page, and is not currently representing any of the listed acquirers or targets.

1. As of June 30, 2017

Total Global Packaging M&A Deal Volume

For the Periods Ended December 31, 2005 – 1H 2017



Source: S&P Capital IQ.

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1. As of June 30, 2017.

"Amazon Rewrites Rule Book for Grocers"

Monday, August 28, 2017 – Wall Street Journal



Deal Description

- On August 28, 2017, Amazon.com, Inc. (NASDAQ:AMZN) announced that it acquired Whole Foods Market (NASDAQ:WFM) for \$13.7 billion

Valuation Metrics

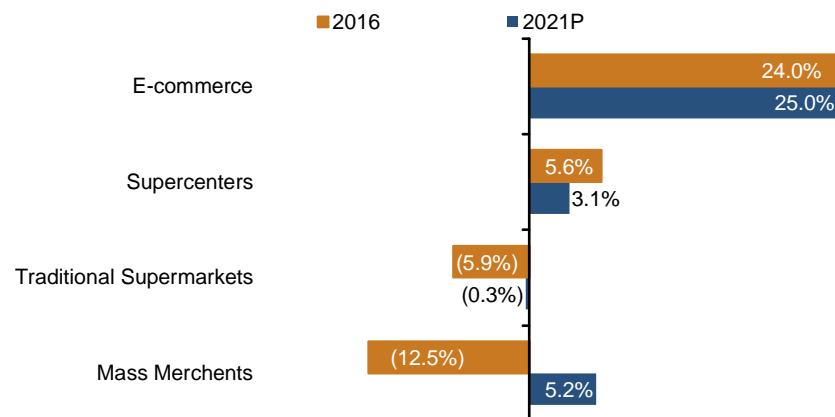
- Implied Enterprise Value: \$13.7B

(US\$MM)	Last Twelve Months
Revenue	\$15,856
EBITDA	\$1,333
EV / Revenue	0.87x
EV / EBITDA	10.3x
Trading Premium (1 day before)	27.0%

Financial / Business Implications

- Whole Foods has 464 stores in North America and the U.K.
- Whole Foods has an appealing upscale demographic:
 - ~8 million customer visits
 - 30 million patrons who may significantly overlap with Amazon Prime's projected 60 million domestic households
- Synergy Opportunities:
 - Customers able to pick up their entire Amazon order at a local Whole Foods
 - Give prime members automatic entry to a new Whole Foods benefits program
 - Offer the option to pay for groceries using the Amazon application

Annual Sales Change of Food and Consumables



Key Takeaways






- "Online grocery sales...are growing fast... online ordering at supermarkets averaging 26% per year"
 - Average online transactions: \$148
 - Average in-store transactions: \$35
- "Food-retail stocks are down 20% this year"
- "Americans want to eat better, and the Whole Foods name symbolizes quality"
- "Whole Foods has one of the poorest price perceptions among 13 national food retailers"
- "Whole Foods customers are 2x as likely to earn upward of \$125k than Kroger shoppers"



Sources: S&P Capital IQ, Inmar Willard Bishop Analytics, investor presentations, press releases, company websites.

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Recent Notable Flexible Packaging M&A Activity

CLOSED DATE	ACQUIRER	TARGET	TARGET DESCRIPTION	ENTERPRISE VALUE	EV / LTM EBITDA	EV / LTM REVENUE
Jul-17	 MCC GLOBAL LABEL SOLUTIONS	 Constantia Flexibles	Supplier of labels to the food, beverage, home and personal care industries	\$1,300.0	--	1.9x
Jun-17	 Fisher Container Corp. Printers, Laminators & Converters of Flexible Packaging Materials	 packagingproducts CORPORATION *	Provides flexographic printing and conversion services for various industries	\$55.0	8.2x	0.8x
May-17	 Goldman Sachs	 Transcendia	Manufactures specialty films for the healthcare, food & beverage, industrial and security markets	--	10.2x	--
May-17	 SIGMA PLASTICS GROUP Quality, Innovation & Expertise in Flexible Packaging	 GJK FLEXIBLE PACKAGING	Manufactures multi-layer film and bag solutions for the food & beverage, transportation, chemical and industrial markets	--	--	--
Apr-17	 ProAmpac	 TRINITY PACKAGING CORPORATION * PACKAGING YOUR BRAND SINCE 1917	Manufactures industrial films for food, beverage and lawn care	\$227.4	4.4x	1.3x
Apr-17	 ProAmpac	 POLYFIRST LOW POLYMER FIRST	Manufactures custom poly bags for food, medical and chemicals	--	--	--
Apr-17	 IGP LEONARD GREEN & PARTNERS, L.P.	 CHARTER NEX FILMS	Manufacturers specialty films for the food and medical markets	\$1,500.0	14.0x	--
Apr-17	 Transcendia	 Marshall PLASTIC FILM	Manufactures films and bags for the healthcare, food, industrial, automotive and retail markets	--	--	--
Feb-17	 mondi	 Eccelsior TECHNOLOGIES LTD. Technical Solutions in PET and Flexible Packaging	Provides film packaging solutions to the food, medical and consumer industries	--	--	0.85x
Dec-16	 EGERIA	 CLONDALKIN a group with focus	Manufactures flexible packaging products for various industries	--	--	--
Dec-16	 GATEWAY PACKAGING COMPANY	 Wenthan	Provides multiwall paper bags for the pet food and pet products industries	\$7.0	--	--
Dec-16	 WIND POINT PARTNERS	 PARAGON FILMS	Manufactures stretch film products for customers in various industries worldwide	--	--	--

Sources: Company filings, S&P Capital IQ, company websites.

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Recent Notable Flexible Packaging M&A Activity

CLOSED DATE	ACQUIRER	TARGET	TARGET DESCRIPTION	ENTERPRISE VALUE	EV / LTM EBITDA	EV / LTM REVENUE
Dec-16	 DS Smith	 Parish <small>Dynamic Solutions and Flexible Packaging™</small>	Provides liquid bag-in-box systems to the food and chemical industries	--	--	--
Nov-16	 THE CARLYLE GROUP	 NOVOLEX	Manufactures paper and plastic packaging products including bags, liners, films and packaging products	\$2,500.0	8.3x	1.09x
Nov-16	 amcor	 奇特包装 QITEPACKING	Manufactures multi-layer compound color printed paper packaging products	\$28.0	--	1.03x
Oct-16	 Pritzker Group	 ProAmpac	Manufactures flexible packaging products	--	9.7x	--
Oct-16	 Schur FLEXIBLES GROUP	 Z W A R T	Provides packaging products to the food industry	--	--	--
Oct-16	 LINDSAY GOLDBERG	 Schur FLEXIBLES GROUP	Provides flexible packaging products for the food and healthcare markets	--	--	--
Oct-16	 SONOCO	 PLASTIC PACKAGING	Provides flexible packaging products for the consumer and commercial markets	\$65.0	8.0x	1.54x
Oct-16	 M&Q Packaging Corporation	 OUTLOOK GROUP CO. LTD. PACKAGING & PRINTING SOLUTIONS	Provides packaging printing and labeling services to various industries	--	6.5x	0.44x
Oct-16	 ProAmpac	 VPG Vitex Packaging Group <small>Packaging Innovations</small>	Manufactures flexible packaging products for the food and healthcare markets	--	7.5x	0.62x
Oct-16	 tc • TRANSCONTINENTAL	 FLEXSTAR TRANSCONTINENTAL FLEXSTAR INC.	Manufactures custom printed, laminated and flexible roll-stock for the consumer and industrial markets	\$33.0	7.3x	1.22x
Jun-16	 tc • TRANSCONTINENTAL	 robbie <small>fantastic solutions</small>	Provides packaging solutions for retail stores	--	6.8x	--
Jun-16	 amcor	 Alusa Techpack	Manufactures plastic and paper packaging products for various industries	--	8.5x	1.16x
May-16	 OLIVER PRODUCTS COMPANY	 Mangar MEDICAL PACKAGING	Manufactures sterile barrier packaging products for medical device manufacturers	--	--	--

Recent Notable Flexible Packaging M&A Activity

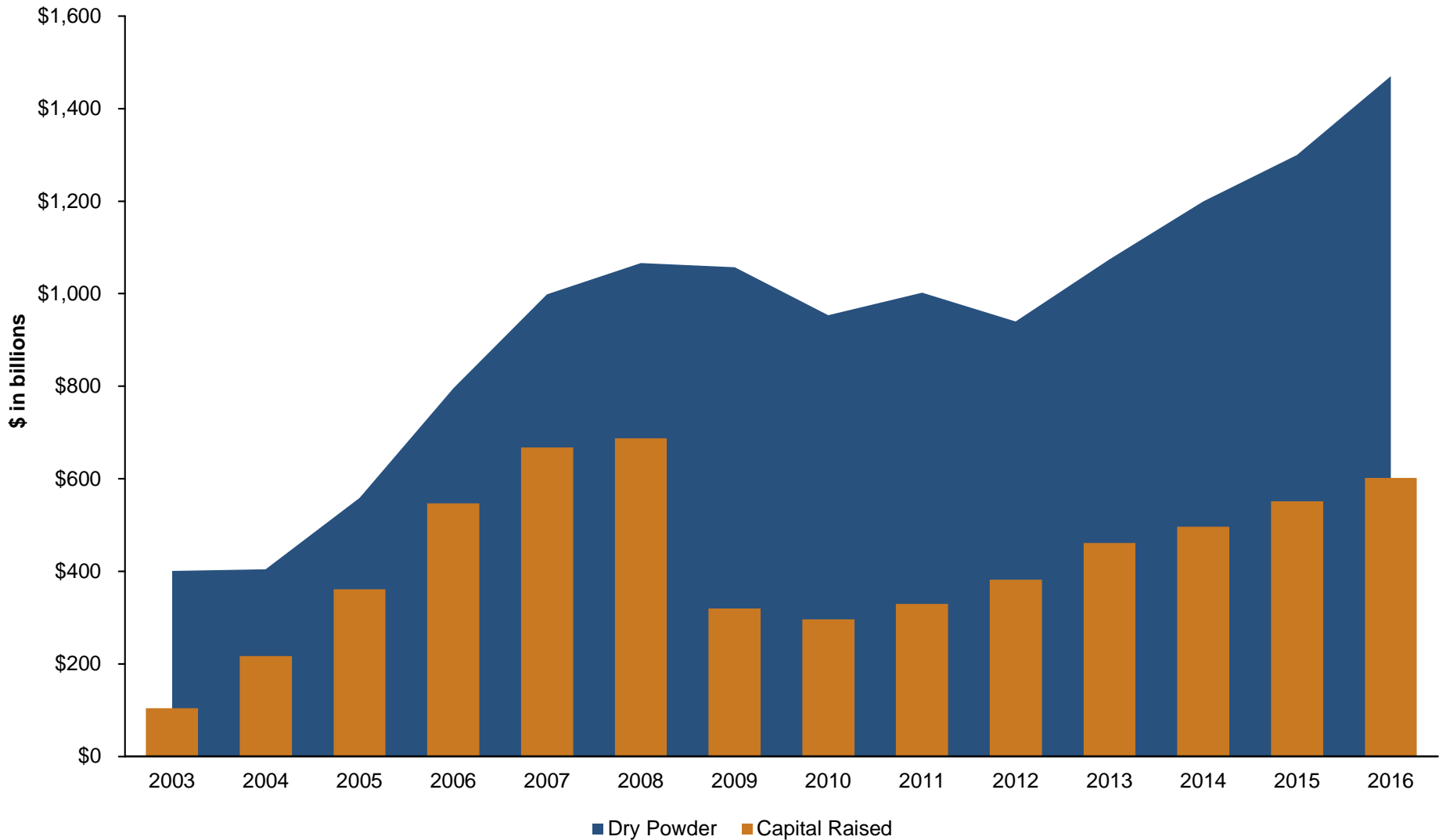
CLOSED DATE	ACQUIRER	TARGET	TARGET DESCRIPTION	ENTERPRISE VALUE	EV / LTM EBITDA	EV / LTM REVENUE
May-16		 Flexible Container Systems Delivering Solutions	Manufactures flexible plastic tubes for the health and beauty markets	--	--	--
May-16		 HERITAGE A HANOVER BRAND	Provides commercial plastic bags and liners	--	--	--
Apr-16		 SANCAP SANCAP Liner Technology Incorporated	Manufactures heat seal, pressure sensitive and gasket sealing products	--	--	--
Mar-16			Manufactures custom and stock bags for the movie theatre industry	--	--	--
Feb-16	Morgan Stanley Capital Partners	 Fisher Container Corp.* Processors, Laminators & Converters of Flexible Packaging Materials	Manufactures and converts flexible plastic films, pouches and bags to retail, food and industrials			
Feb-16		 earthwise	Provides reusable bags to North American customers	--	--	--
Dec-15		 deluxe packages	Manufactures flexible packaging products for the food and healthcare industries	\$46.1	--	1.10x
Dec-15			Provides packaging solutions to the food, industrial and healthcare markets	--	--	--
Dec-15		 The partner with you Korea Special Precision	Manufactures flexible packaging solutions for the food & beverage industries	\$47.6	--	1.05x
Oct-15		 LIQUI-BOX	Manufactures flexible liquid packaging solutions for the food & beverage industries	--	--	--
Sep-15		 Wisconsin Film & Bag	Manufactures mono-layer and polyethylene bags and films	--	--	--
Sep-15		 ULTRA FLEX PACKAGING	Manufactures flexible packaging products for various end markets	\$80.0	--	1.11x

Recent Notable Flexible Packaging M&A Activity

CLOSED DATE	ACQUIRER	TARGET	TARGET DESCRIPTION	ENTERPRISE VALUE	EV / LTM EBITDA	EV / LTM REVENUE
Aug-15			Manufactures lining materials for the food, healthcare, chemical, industrial and agricultural markets	--	--	--
Jul-15			Manufactures paper-based packaging products for the consumer, food and retail markets	--	--	--
Jul-15	Rosmar Litho Inc.	CanamPAC ULC	Provides graphic packaging solutions to various industries in North America	\$80.0	--	--
Jul-15			Manufactures packaging materials for various industries	\$7.3	--	--
Jun-15		Apex Bag Company	Manufactures multi-wall paper bags for the agricultural industry	--	--	--
Jun-15			Provides packaging solutions in customers in various industries	\$640.0	11.6x	0.67x
Apr-15			Manufactures packaging film for various specialty markets	--	--	--
Apr-15			Provides insulated food storage containers	--	--	--
Feb-15			Manufactures stick packs, pouches, stand-up bags, labels and boxes	--	--	--
Jan-15			Manufactures custom polymeric and specialty protective packaging products for various industries	\$360.0	--	--
Jan-15			Manufactures pre-formed pouches for the packaging industry	--	--	--

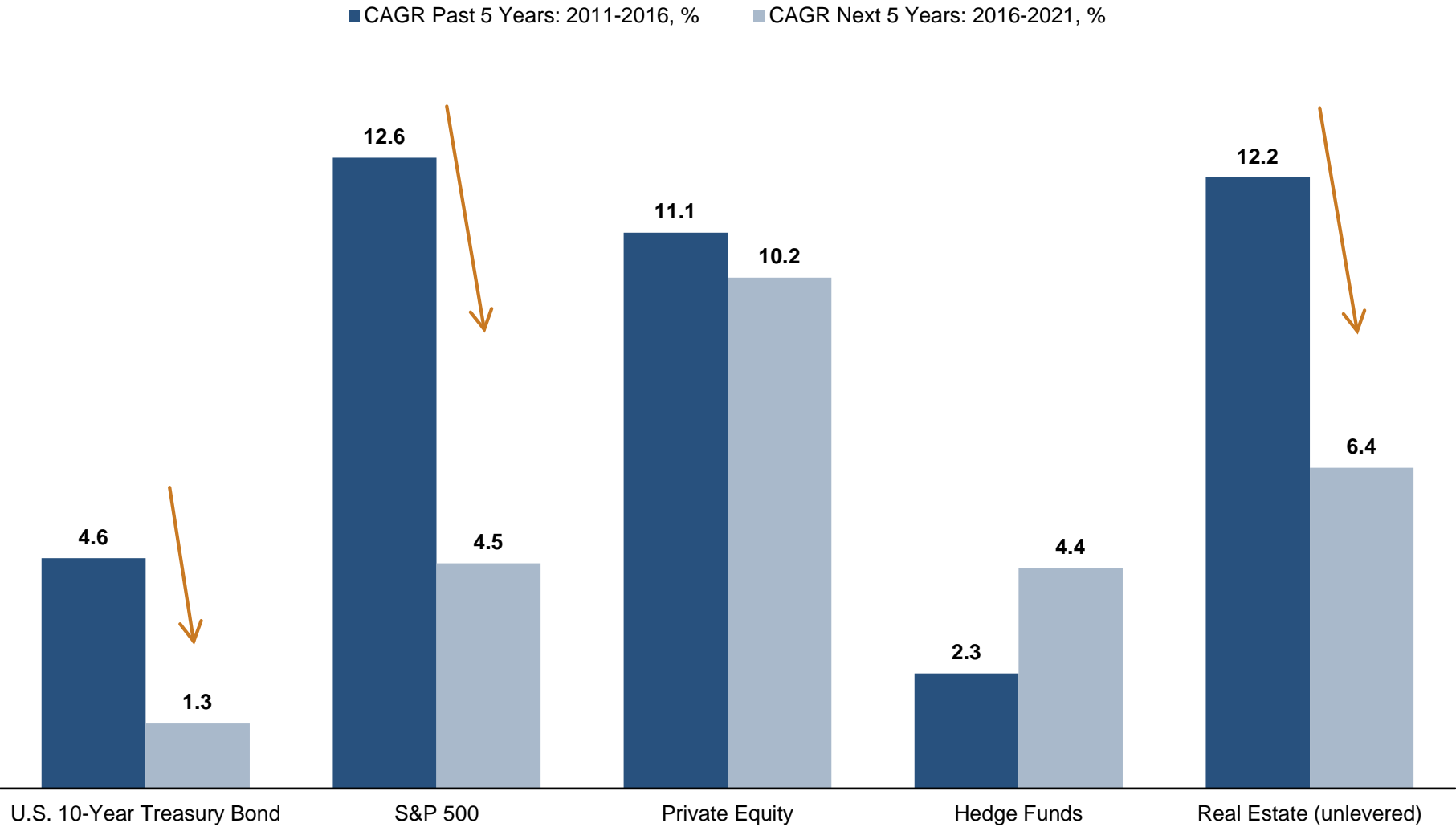
Global PE Overhang Over Time vs. Capital Raised

For the Periods Ended December 31, 2007 – 2016



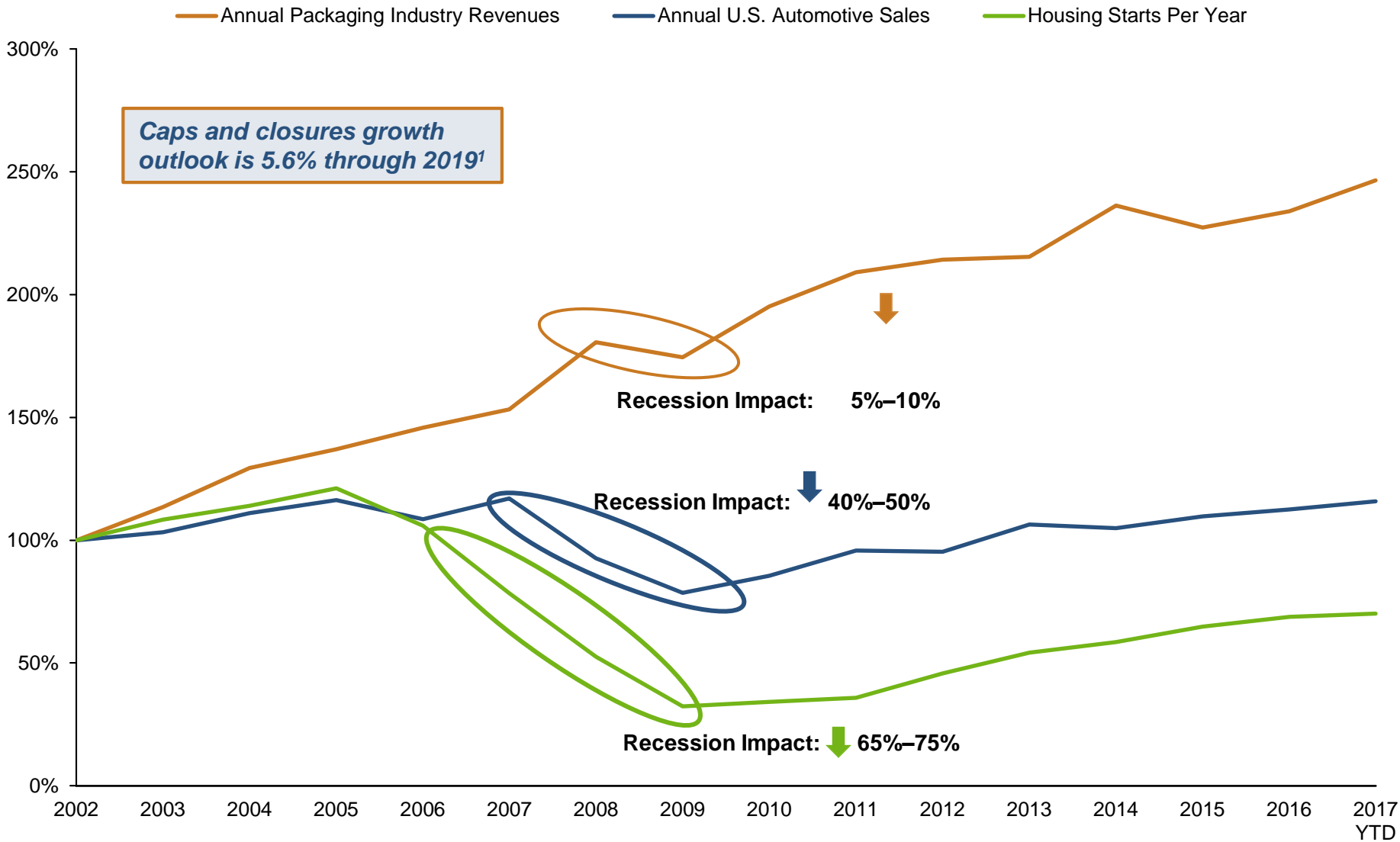
Source: Preqin.

Returns for the Industry Headed Lower Across Most Asset Classes



Sources: Bloomberg, Cambridge Associates, NCREIF, HFRI Fund Weighted Composite Index (HFRI FWI Index), KKR Global Macro & Asset Allocation.
Note: Data as of December 31, 2016.

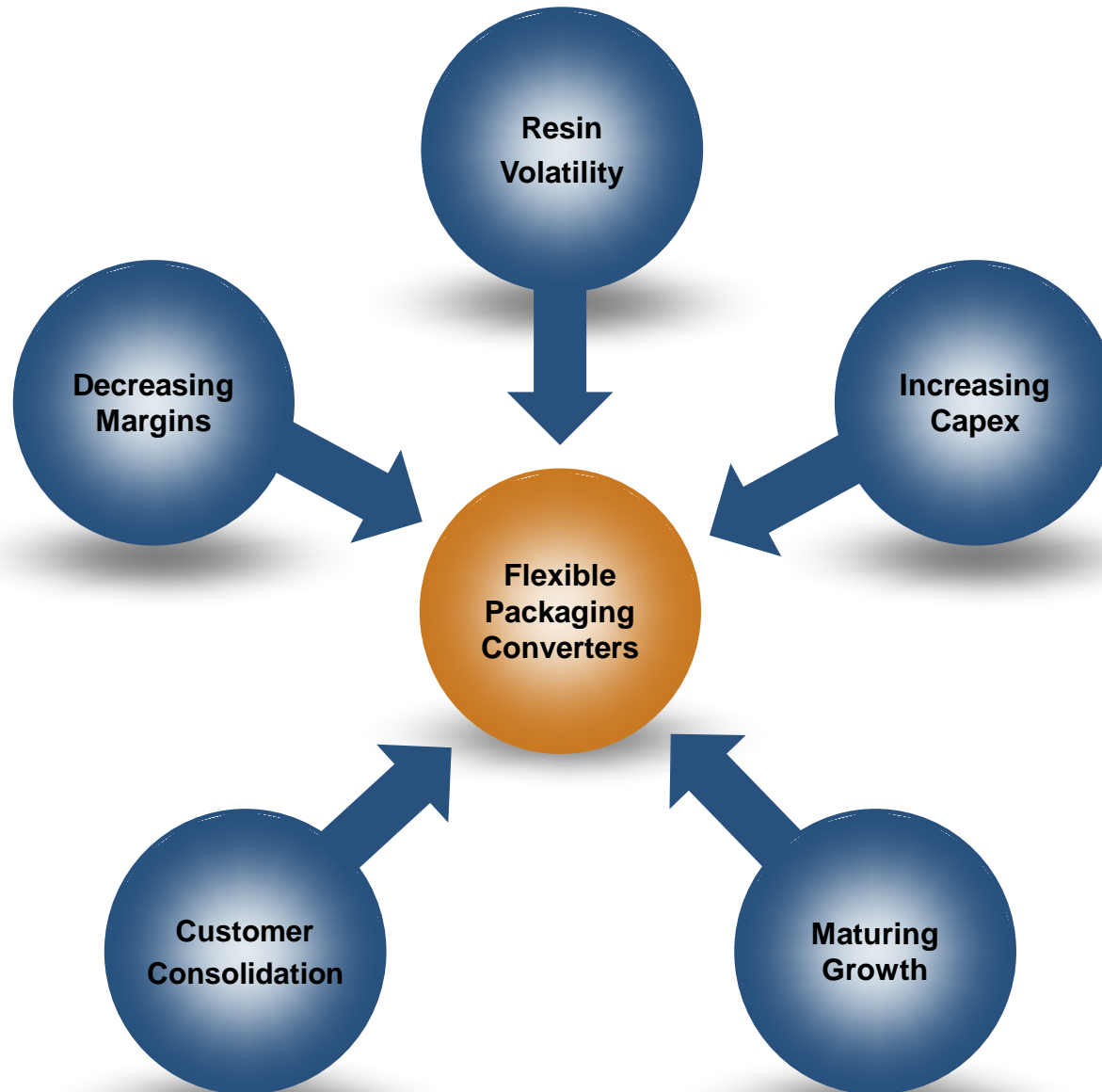
Relative Appeal of the Packaging Industry



Sources: S&P Capital IQ, U.S. Census Bureau, Mesirow Financial.
1. Freedonia

Market Observations

Flexible Packaging Consolidation is Actively Underway



Flexible Packaging Leaders

Company	Flexible Pkg. Revenue (\$MM)
(NYSE:BMS) 	\$4,100
(NYSE:SEE) 	\$2,600
	\$2,450
(NYSE:BERY) 	\$2,350
(Sun Capital Partners – 2005) 	\$1,800
(The Carlyle Group – 2016) 	\$2,300
	\$1,300
(Pritzker Group Private Capital – 2016) 	\$1,300
(TSX:WPK) 	\$797
	\$737
(Hood Companies, Inc. – 2000) 	\$600
(NYSE:SON) 	\$600
(ASX:AMC) 	\$560

 Sponsor-backed

Source: S&P Capital IQ

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Company	Revenue (\$MM)
	\$397
	\$375
(Olympus Partners LP – 2014) 	\$352
	\$285
(Nicolet Capital Partners, LLC – 2012) 	\$200
(Centre Lane - 2012) 	\$199
(Olympus Partners LP) 	\$180
	\$180
(Oliver Healthcare Packaging, LLC – 2008) 	\$125
	\$115
(First Atlantic - 2013) 	\$110

Transforming Through Acquisitions

Date	Acquirer	Target
Nov-16	NOVOLEX	BURROWS PAPER CORPORATION
May-16	NOVOLEX	HERITAGE
Sep-15	NOVOLEX	Wisconsin Film & Bag
Dec-14	NOVOLEX	Packaging Dynamics
Jul-14	NOVOLEX	DURO
Apr-13	NOVOLEX HILEX	FORTUNE PLASTIC, INC.

NOVOLEX Est. Revenue: \$2 billion

WIND POINT PARTNERS

has acquired

NOVOLEX

2012

THE CARLYLE GROUP

has acquired

NOVOLEX

2016

Date	Acquirer	Target
Sep-17	ProAmpac	POLYFIRST
Aug-17	ProAmpac	AB GROUP
Aug-17	ProAmpac	CLONDALKIN Flexible Packaging Orlando
Apr-17	ProAmpac	TRINITY PACKAGING CORPORATION *
Oct-16	ProAmpac	VPG Vitex Packaging Group
Dec-15	ProAmpac	cei
Aug-15	Prolamina	AMPAC
Mar-14	AMPAC	BDP+
Aug-12	Prolamina	International CONVERTER Poly-Extrusion Coating and Laminating

ProAmpac Est. Revenue: \$1.2 billion

WELLSPRING CAPITAL
MANAGEMENT LLC

has acquired

ProAmpac

2011

Pritzker Group
PRIVATE CAPITAL

has acquired

ProAmpac

2016

Date	Acquirer	Target
Jul-10	APPLETON Appleton Performance Packaging Subsidiary	NEX Performance Films
Dec-12	NEX Performance Films	CHARTER FILMS
Oct-14	OP	OPTIMUM PLASTICS, INC. *
Dec-15	CHARTER NEX FILMS	Optimum Plastics *

CharterNEX Est. Revenue: \$450 million

PAMPLONA
CAPITAL MANAGEMENT

has acquired

CHARTER
NEX FILMS

2015

LG
&P

Leonard Green &
Partners, L.P.

has acquired

CHARTER
NEX FILMS

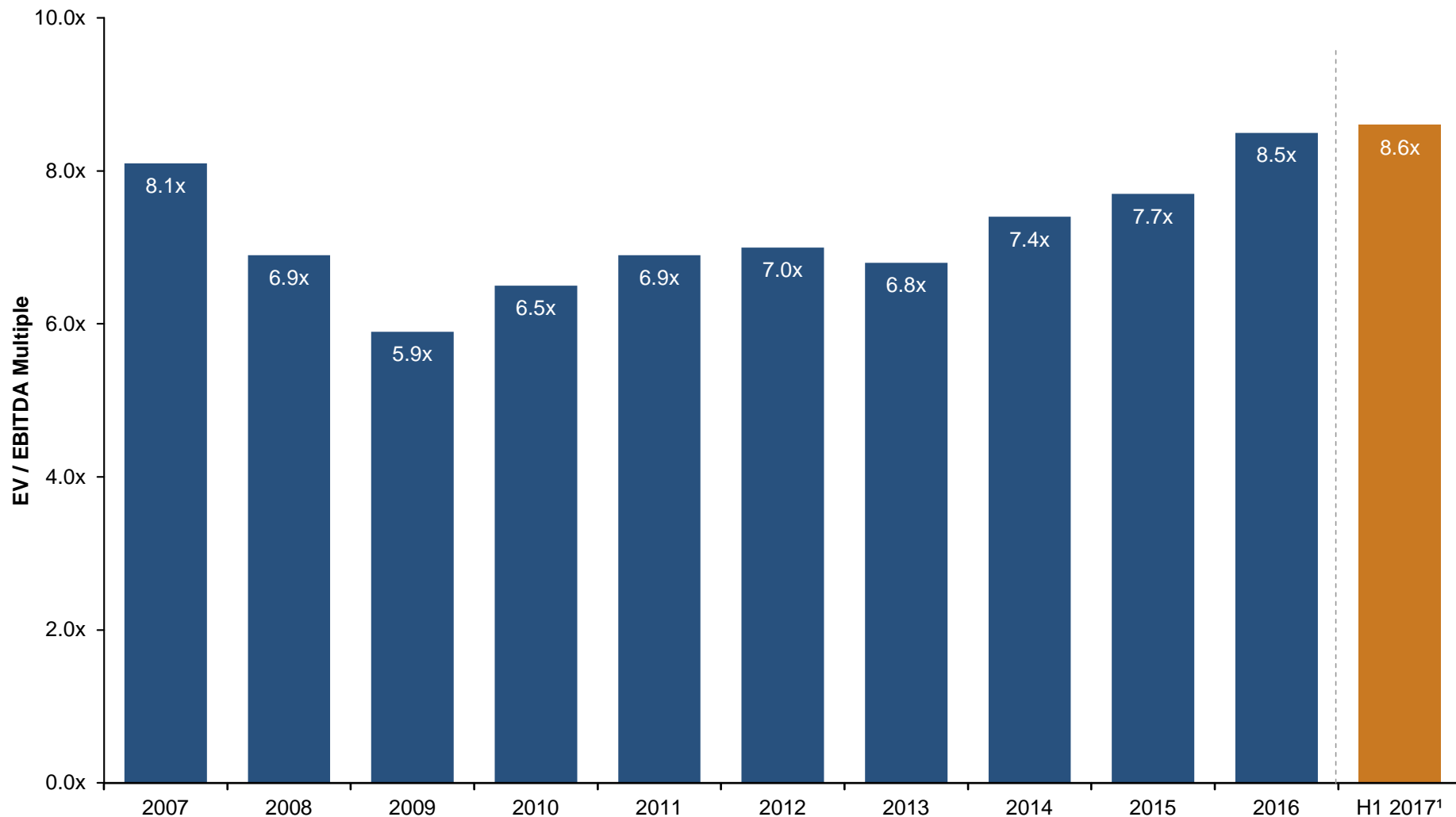
2017

Sources: S&P Capital IQ, Company Websites.

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Average EBITDA Multiples for Packaging M&A Transactions

For the Periods Ended December 31, 2007 – 2016 and for the Period Ended June 30, 2017



Sources: S&P Capital IQ, Mesirow Financial.

1. As of June 30, 2017.

Public Packaging Company Average EBITDA Multiples



Source: S&P Capital IQ.

Plastic Index Includes: Amcor, Bemis, Berry Plastics Group, Sealed Air, Winpak.

Paper Index Includes: Greif, International Paper, Packaging Corporation of America, WestRock.

1. As of August 1, 2017.

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