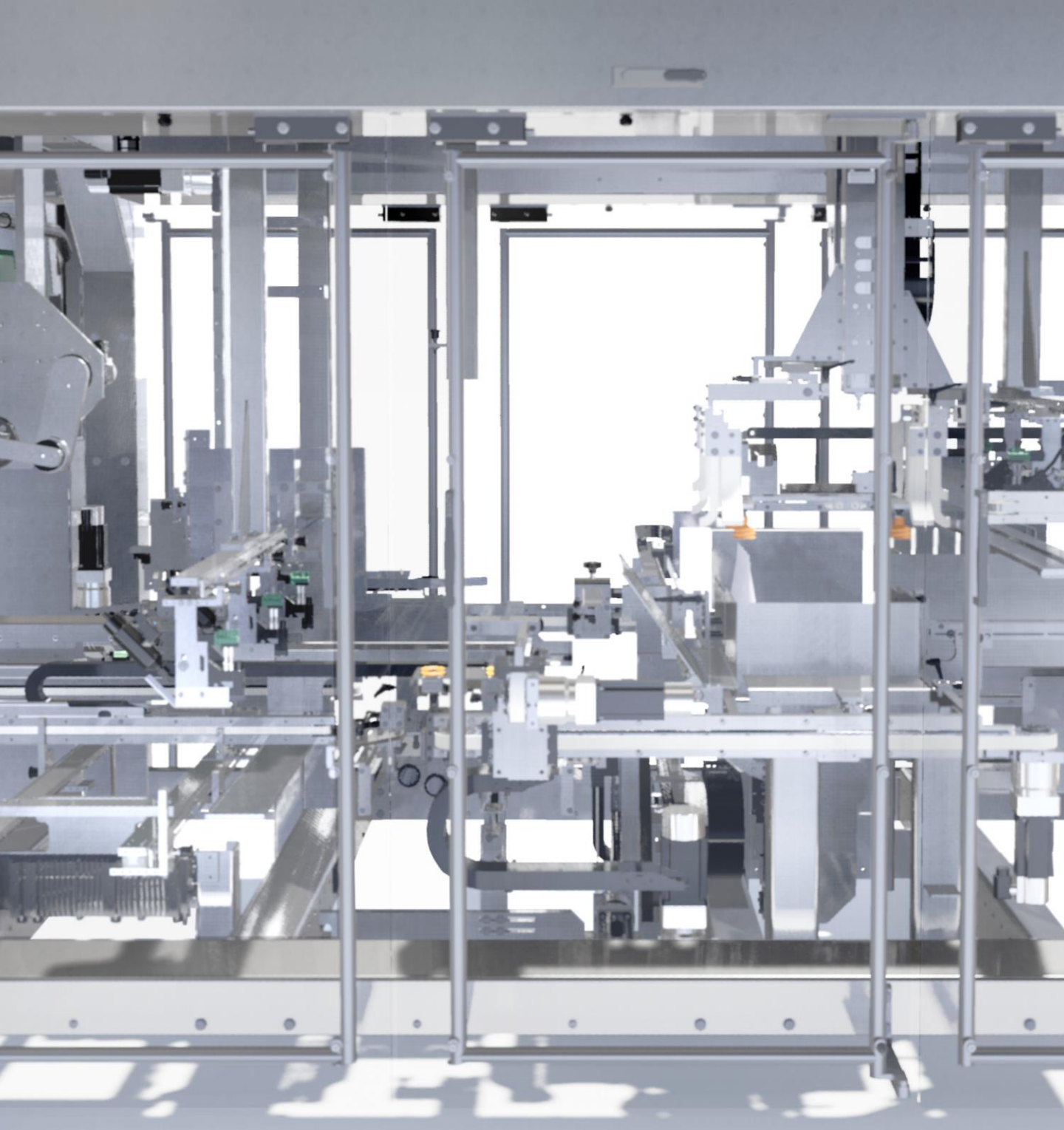




HOULIHAN LOKEY

PACKAGING & PROCESSING MACHINERY

INDUSTRY UPDATE | WINTER 2019/2020



Houlihan Lokey Packaging & Processing Machinery Industry Update

Dear Clients and Friends,

Houlihan Lokey is pleased to present its Packaging & Processing Machinery Industry Update for winter 2019/2020.

We have included important news stories, transaction announcements, public trading comparables, and industry insights to help you stay well briefed on developments and M&A trends in this dynamic and constantly evolving industry. In addition, we are pleased to feature an interview with Christian Treitel, Vice President of Bosch Packaging Technology (now called Syntegon), who took the time to discuss his view on recent market developments and overall sector trends.

The past 12 months have primarily been characterized by the ongoing tariff conflict and political uncertainties. In addition, the dynamic trend towards sustainable packaging formats has an increasing impact on the packaging machinery industry. Nevertheless, the overall market sentiment in the sector remains cautiously optimistic. On the M&A side, several transactions occurred over the past several months as well, most notably the acquisition of Bosch Packaging Technology by CVC Capital Partners.

We hope you will find this newsletter to be informative and that it serves as a valuable resource to you in staying abreast of the market. If there is additional content you would find useful for future updates, please don't hesitate to call or email us with your suggestions. We look forward to staying in touch with you.

Lastly, the entire Houlihan Lokey Industrials Group wishes you a great start to 2020.

Regards,



Steffen Leckert
Managing Director

OpfernTurm
Bockenheimer Landstraße 2–4
60306 Frankfurt am Main
Germany
SLeckert@HL.com
+49 69 170 099 22



Scott Alford
Managing Director

111 South Wacker Drive
37th Floor
Chicago, IL 60606
USA
SAlford@HL.com
+1 312 456 4757



Rob Wilson
Managing Director





245 Park Avenue
20th Floor
New York, NY 10167
USA
RMWilson@HL.com
+1 212 497 4268

Industry Verticals Covered

Packaging and Processing Machinery

Packaging Machinery	Hybrid Packaging and Packaging Machinery	Food and Pharma Processing Machinery	Plastic Processing Machinery
<ul style="list-style-type: none"> Primary packaging Secondary packaging End-of-line packaging 	<ul style="list-style-type: none"> Packaging machinery Packaging solutions 	<ul style="list-style-type: none"> Milling equipment Dryers and granulators Blenders Filling machines 	<ul style="list-style-type: none"> Extrusion machines Blow molding machines Injection molding and other processing machines
			

Packaging, Plastics, and Paper

Rigid Plastic	Flexible Plastic	Paper and Board	Glass, Metal, and Other
<ul style="list-style-type: none"> Bottles Cans Caps and closures Cups Pumps 	<ul style="list-style-type: none"> Bags Films Labels Pouches Rollstock 	<ul style="list-style-type: none"> Bags Boxes Folding carton Wraps Cardboard 	<ul style="list-style-type: none"> Bottles Cans Logistics
			

HOULIHAN LOKEY

HLI
LISTED
NYSE

Houlihan Lokey is the trusted advisor to more top decision-makers than any other independent global investment bank.

Corporate Finance

2019 M&A Advisory Rankings All U.S. Transactions

	Advisor	Deals
1	Houlihan Lokey	184
2	Goldman Sachs & Co	167
3	JP Morgan	141
4	Morgan Stanley	122
5	Evercore Partners	112

Source: Refinitiv (formerly known as Thomson Reuters)

Industrials

2019 M&A Advisory Rankings All U.S. Industrial Transactions

	Advisor	Deals
1	Houlihan Lokey	46
2	Lincoln International	40
3	Goldman Sachs & Co	35
4	Generational Equity	30
5	JP Morgan	25
5	Morgan Stanley	25

Source: Refinitiv (formerly known as Thomson Reuters)

Top 10 Most Active Global M&A Advisor

Select Packaging and Packaging Machinery Transactions

 has sold TREOFAN (Europe) to Jindal Films Sellside Advisor	 have sold their shares in TREOFAN to M&C Sellside Advisor	 a portfolio company of PAMPLONA CAPITAL MANAGEMENT has acquired Optimum Plastics from Optimum Plastics Buyside Advisor	 a portfolio company of MASON WELLS has been acquired by PAMPLONA CAPITAL MANAGEMENT Sellside Advisor	 a portfolio company of LL LITTON LAMINATION CAPITAL PARTNERS has been acquired by KADANT Sellside Advisor	 a portfolio company of W has been acquired by ARBOR INVESTMENTS Sellside Advisor
 a portfolio company of ATLAS HOLDINGS has been acquired by NEW INDY SOUTHEASTERN Sellside Advisor	 a portfolio company of CI CAPITAL PARTNERS Senior Secured Credit Facility & Senior Subordinated Notes Refinancing Exclusive Placement Agent	 a portfolio company of ATLAS HOLDINGS ABL Revolver, Term Loan & Delayed Draw Term Loan Dividend Recapitalization \$135,000,000 Exclusive Placement Agent	 a portfolio company of PEAK ROCK CAPITAL Senior Secured Term Loan Recapitalization / Refinancing Exclusive Placement Agent	 has acquired TEKNIPLEX a portfolio company of OAKTREE Buyside Advisor	 has been acquired by ROGERS CORPORATION Sellside Advisor
 a portfolio company of BERWIND has been acquired by BERWIND Sellside Advisor	 a subsidiary of JPS has been acquired by Argotec Sellside Advisor	 Fairness Opinion for the related parties committee of GMA TT in the context of the potential merger of GMA TT into its controlling shareholder MA Fairness Opinion	 a portfolio company of MILACRON has been acquired by MILACRON Sellside Advisor	 and One Equity Partners One Equity Partners Europe GmbH have acquired ONE EQUITY PARTNERS Buyside Advisor	 has sold all of its assets in two separate transactions to WILSON JONES HOLDINGS LIMITED and DAVER EXCELLENCE Company Advisor

Tombstones included herein represent transactions closed from 2012 forward.

Interview: State of the Packaging Machinery Industry

We are delighted to present an interview with Christian Treitel on recent developments and trends in the packaging machinery industry. Leaders in the packaging equipment industry recently met in Las Vegas at Pack Expo and in Nuremberg at FachPack, two important industry trade shows. Driven by positive long-term trends in the principal end markets, e.g. pharma and food, the industry as a whole continues to do well. However, the short- to medium-term outlook might be somewhat blurred given the overall more challenging economic environment as well as the challenges imposed by the sustainability theme taking on greater significance.

With regard to the M&A activity in the sector, the acquisition of Bosch Packaging Technology by CVC Capital Partners (CVC) has certainly been the most relevant transaction in the industry this year to date. Other smaller add-on acquisitions by PE portfolio companies, such as the acquisitions of Standard-Knapp by End of Line Packaging Experts and WOLF Verpackungsmaschinen by The Packaging Group, have been carried out to complement existing technology lineups and/or geographic presences.

Looking ahead, we assume that the deal activity in the small to mid-cap packaging machinery segment remains at an active level. Strategic and financial investors' interest in this machinery category remains high. A limitation to the M&A activity is caused by a shortage of available target companies as the industry structure continues to be dominated by privately owned small to medium-sized companies. Against this background, we spoke with Mr. Treitel to gain insight into his views on the industry, relevant trends, and potential challenges or risks.



Christian Treitel has served as Vice President of Marketing and Business Strategy at Bosch Packaging Technology, now called Syntegon Technology, since 2017. Previously, he worked in the Business Development and Product Management division at Robert Bosch.

Syntegon Technology develops and manufactures complete processing and packaging systems. It provides integrated solutions for pharmaceuticals, food, confectionery, and other industries. Syntegon is based in Waiblingen, Germany, and employs 6,100 people in more than 15 countries.

Christian Treitel
Vice President
SyntegonTechnology

HL: Let's start with your general view on the state of the industry. What is your medium-term outlook for the packaging industry as a whole?

CT: The packaging industry will continue to grow. The earth's population is on the rise, with a growing middle class in emerging countries as well as more elderly people and single households. All of this will drive demand for packaging.

HL: Which general trends do you see in the market from a technology, customer, and competition perspective?

CT: Consumer markets are growing more volatile. The number of products that dominate markets for extended periods will continue to dwindle as product life cycles shrink. Competition will intensify as new manufacturers penetrate the food market with innovative products and services. We see two developments ahead for the pharmaceutical industry: For one, specialized drugs will be made in low quantities for small patient populations. For the other, the price pressure on generics will continue to rise, as will regulatory quality and data standards. The challenge for our customers is to respond quickly to changing requirements, bringing products to market much faster without jeopardizing quality and their long-term planning.

Interview is continued on the next page.

Interview: State of the Packaging Machinery Industry (cont.)

HL: How have customer requirements changed over the past years?

CT: We have seen three major changes in recent years. The food industry is demanding more sustainable packaging. Customers across the board are asking for more flexible machines. They want equipment that adapts to different products and pack styles and is ready for future requirements. And customers want to set trends, which means they need faster delivery to accelerate their products' time to market.

HL: Has the discussion on materials, in particular "the war on plastic," had an impact on the equipment manufacturers?

CT: Manufacturers, retailers, and consumers are demanding more sustainable pack styles. The trend in packaging is to forgo composites in favor of mono materials that can be recycled, upcycled, or reused in their entirety. Syntegon wishes to champion the use of paper in place of plastic wherever product safety requirements allow and, importantly, the reuse is cyclic. We will need to use recycled material to have the breakthrough for paper. We are prepared to support our customers on their journey to more sustainable packaging, and we invest heavily in technology and application know-how to this end.

HL: Where do you see the biggest potential and also challenges of Industry 4.0 applications, such as predictive and preventive maintenance, remote services, and augmented reality solutions?

CT: Industry 4.0 harbors vast potential for our customers to boost quality, efficiency, and productivity all along the value chain. Soon machines will not only notify operators of issues but also suggest solutions. The greater goal is to prevent machine downtime, quickly pinpoint issues, and avert problems.

Predictive maintenance will reduce scheduled and unscheduled downtime immensely. By collecting and assessing digital data, we will be able to make the most of untapped knowledge and enable specialists to improve the performance of many systems. Artificial intelligence can serve to further improve processes and develop new service offerings. Deep learning, for example, is making our inspection solutions far more efficient.

HL: Can you think of any additional functions "the perfect packaging line" should offer that do not exist today?

CT: The perfect packaging line would be fully integrated with optimized interfaces connecting all process steps. It would be flexible to accommodate various products and pack styles and harmonized data structures as a base for a self-adjusting system.

HL: Do you see a trend towards an increasing full-line/turnkey approach by leading equipment manufacturers such as Syntegon, or rather the opposite, i.e. the focus on certain process steps only?

CT: We see both. Some customers have their preferences for certain equipment for each process step, and they possess the skills to integrate lines. Others demand end-to-end lines or even turnkey solutions with the product flow on the shop floor already mapped out. System vendors could eventually shoulder more overall responsibility, supporting customers by accelerating time to market and sharing skills.

HL: How important is it to customers to have all interfaces managed and controlled by one supplier versus a variety of suppliers?

CT: More and more customers will prefer to work with a single vendor that has the capabilities to handle all interfaces across the production line and make sure workflows are seamless. We believe demand for these end-to-end capabilities is going to rise in the years ahead.

Interview is continued on the next page.

Interview: State of the Packaging Machinery Industry (cont.)

HL: Let's talk more specifically about the two principal segments of Syntegon: pharma and food. What are the technological differences and commonalities between the two divisions?

CT: The food industry generally delivers products with higher volumes. Regulations are stricter and a bigger factor in the pharmaceuticals sector. However, food industry regulations are getting more rigorous, with authorities tightening up the rules in recent years. They are already very strict for some products, such as baby food. We see a growing overlap between functional, medical, and nutraceutical food on one hand and pharmaceuticals on the other.

HL: What are the main synergies across the entire technology/brand portfolio of Syntegon?

CT: We create synergies at the corporate level across purchasing, accounting, and IT. With our global footprint, we are able to support both divisions' sales and service in all regions. And we can capitalize on our automation and robotics skills across our segments.

HL: How does Syntegon handle the contradictory requirement of greater flexibility and shorter changeover times versus higher speed and throughput of modern packaging machinery, in particular in the pharma segment?

CT: As we see it, there is no contradiction here. We live up to both expectations by offering flexible equipment. Our ALF filling machine is the perfect example. It handles vials and ampoules, and is flexible in terms of size and speed up to 600 ampoules per minute. Formats are easily and quickly changed. Customers enjoy the benefits of flexibility and can adjust outputs as they see fit.

HL: Do you see any threat for Syntegon from the trend, and possibly the obligation, to reduce packaging material, in particular in the food segment, where this trend is most pronounced?

CT: No. We see this as an opportunity. We can support our customers by using thinner films, mono material, or paper-based packaging. And we are open to suggestions if our suppliers and customers wish to explore more options with us in terms of both materials and quantities.

HL: What are the most relevant competitors for each of your divisions?

CT: We would rather talk about our activities than our competitors.

HL: Have you experienced increased competition from Asian/Chinese manufacturers in your market segments?

CT: We have been active in Asia since 1982 and now have several locations in China, Japan, and India. We are successful in supporting customers in the region, but we have to stay competitive. Demand and growth in Asia will surely remain strong.

HL: Where do you see the strongest growth potential for Syntegon—which end market, geography, or technology?

CT: Both Asia and Africa are home to a growing population. Both need food and medicines to sustain the majority of the world's population, which gives these markets rising significance. Supplying food and preventing spoilage in rural areas remains a logistical challenge. Pack styles will have to change to cater to changing lifestyles in growing urban areas and megacities, and to satisfy the demands of new distribution channels. With subsidiaries in seven countries, our company generates 30% of our sales in Asia, the Pacific, and Africa. This is a good starting point for expanding our business in these regions.

Interview is continued on the next page.

Interview: State of the Packaging Machinery Industry (cont.)

HL: Lastly, but just as important, let's speak a bit about the M&A trends in the industry. Over the past two to three years, we have seen a number of high-profile M&A transactions in the sector, e.g. Rovema, Romaco, ProMach, Pregis, and lastly Syntegon, to name a few. Do you see this trend continuing? And do you see any notable consolidation trends in the packaging equipment industry, which is still characterized by a fragmented landscape with a large number of small to medium-sized companies?

CT: The industry is still very fragmented, so the consolidation is bound to continue. If customers want more system vendors, it could even accelerate.

HL: Which benefits do you expect for Syntegon to develop from now onwards under PE ownership outside of the Bosch Group?

CT: The new partnership with CVC presents a tremendous opportunity for our future business success. CVC is a reliable new owner with a long-term approach. Our business can develop and flourish under its leadership.

Bosch Packaging Technology was always a largely independent operator within the Bosch Group. Now Syntegon will be able to respond even more flexibly to the unique requirements of the packaging industry. And that enables us to offer even more attractive products, solutions, and services to customers.

HL: Are there any areas where Syntegon can and should further grow through acquisitions?

CT: We will continue to grow organically and seize opportunities for acquisitions that bring technologies on board or grow our regional footprint.

Significant News Stories: M&A/Financing

HQ Equita Acquires Majority Stake in WOLF Verpackungsmaschinen Group

(Press Release, 18 November 2019)

"HQ Equita, trusted partner of SMEs in Germany, Austria, and Switzerland for almost three decades, has acquired a majority stake in WOLF Verpackungsmaschinen GmbH, based in Lich-Birklar. WOLF is one of the world's leading manufacturers of vertical form, fill, and seal machines for food, industrial goods, and chemicals.

After acquiring a majority stake in the packaging machine specialists FAWEMA and HDG in 2018, HQ Equita is strengthening its platform investment The Packaging Group (TPG) with WOLF. In the future, WOLF, FAWEMA, and HDG will operate as a group of companies to develop specific packaging solutions for customers."

Signing of the Deed of Merger by Incorporation of GIMA TT S.p.A. Into IMA S.p.A.

(Press Release, 31 October 2019)

"The companies I.M.A. Industria Macchine Automatiche S.p.A. (IMA) and GIMA TT S.p.A. (GIMA) announce that, today, they signed the deed of merger by incorporation of GIMA into IMA, in accordance with the resolutions of the Extraordinary Shareholders' Meetings of IMA and GIMA, held on 8 August 2019."

ProMach Acquires Jet Label & Packaging, a Leading Provider of Labeling and Coding Solutions

(Press Release, 30 October 2019)

"ProMach, a worldwide leader in packaging machinery solutions, announced today that it has acquired Jet Label & Packaging, Western Canada's largest producer of labels for a variety of industries. The addition of Jet Label expands ProMach's labeling and coding capabilities and provides customers across Canada with enhanced sales and support to keep their packaging operations running at peak efficiency."

Hillenbrand, Inc., to Acquire Milacron Holdings Corp.

(Press Release, 12 July 2019)

"Hillenbrand, Inc. (NYSE:HI) and Milacron Holdings Corp. (NYSE:MCRN) today announced that they have entered into a definitive agreement under which Hillenbrand will acquire Milacron in a cash and stock transaction valued at approximately \$2 billion, including net debt of approximately \$686 million as of March 31, 2019.

Under the terms of the agreement, which has been unanimously approved by the boards of directors of both companies, Milacron stockholders will receive \$11.80 in cash and a fixed exchange ratio of 0.1612 shares of Hillenbrand common stock for each share of Milacron common stock they own. Based on Hillenbrand's closing stock price on July 11, 2019, the last trading day prior to the announcement, the implied cash and stock consideration to be received by Milacron stockholders is \$18.07 per share, representing a premium of approximately 34% to Milacron's closing stock price on July 11, 2019, and a premium of approximately 38% to Milacron's 30-day volume-weighted average price as of the close on July 11, 2019. Upon closing, Hillenbrand shareholders will own approximately 84% of the combined company, and Milacron stockholders will own approximately 16%."

Significant News Stories: M&A/Financing (cont.)

CVC Capital Partners and Bosch Reach an Agreement on the Sale of Bosch Packaging Technology *(Press Release, 12 July 2019)*

“Bosch plans to sell its packaging machinery business, based in Waiblingen, Germany, to a newly incorporated entity managed by CVC Capital Partners (CVC). The company and its Pharma and Food units will remain intact. Based in Luxembourg, CVC is a leading private equity and investment advisory firm with 24 offices in Europe, Asia, and the United States. It currently manages more than US\$75 billion of assets.”

Bosch Statement on Current Sale Process

“The sale is subject to the approval of various bodies, including the antitrust authorities. We expect to close the transaction on January 1, 2020.* Until then, Packaging Technology will remain part of Bosch.”

IMA Signed an Agreement for the Acquisition From Charme Capital Partners SGR of the Majority of ATOP, World Leader in Industrial Automation for the Production of Electric Motors for E-Mobility *(Press Release, 21 May 2019)*

“Today, IMA has signed an agreement with Charme Capital Partners (the pan-European mid-market private equity firm) and with the founders of the company for the acquisition of 63% of ATOP, a leading company in the sector of automatic machines and lines for the production of electric motors for the automotive sector, and in particular for E-Mobility.

Through this agreement, IMA, which was already a shareholder of the company since 2017 with a 21% stake, acquires the majority of ATOP from Charme (which has acted since 2017 as the controlling shareholder) and reaches a total stake of c. 84%. At the same time, the founders and the Chairman Amedeo Felisa will reinvest c. 6%.”

JBT Corp. Signs Definitive Agreement to Acquire Proseal, a Leading Provider of Tray Sealing Technology *(Press Release, 29 April 2019)*

“JBT Corp. (NYSE:JBT), a global technology solutions provider to high-value segments of the food and beverage industry, today announced it signed a definitive agreement to acquire Proseal uk Limited, a leading provider of tray sealing technology for the food industry. Privately held Proseal is headquartered in Adlington, UK, with additional production facilities in Richmond, Virginia, and Melbourne, Australia.”

*The transaction closed on January 16, 2020.
Sources: Mergermarket, company information, press

Significant News Stories: Management

Coesia S.p.A., Resignation of CEO Angelos Papadimitriou

(Press Release, 10 December 2019)

"The Coesia Group announces that today Angelos Papadimitriou informed the Board of Directors of his decision to resign from the position of Chief Executive Officer of the Group as of 31st December 2019.

Coesia Group thanks Angelos Papadimitriou for his contribution to the Group's growth over the past 10 years and for making himself available to provide collaborative support to the Group as a Senior Advisor.

Pending the appointment of a new Chief Executive Officer, the Board of Directors has resolved to grant executive powers to the President of the Coesia Group, Isabella Seràgnoli, already the holder of executive powers that had not been exercised to date, who assumes the role of *ad interim* Chief Executive Officer of the Group, and the establishment of a Management Committee consisting of the President and some Group Executives, which will ensure the continuity of management and operations."

Johannes Giloth Appointed to GEA's Executive Board

(Press Release, 17 October 2019)

"The Supervisory Board of GEA Group Aktiengesellschaft has appointed Johannes Giloth (49) to the company's Executive Board with effect from January 20, 2020, where he will assume responsibility for the newly created Procurement, Production and Logistics organization.

Johannes Giloth comes from the Nokia telecommunications group, where he has held the position of Chief Procurement and Chief Supply Chain Officer for several years and—amongst other things—successfully implemented the digitalization of the group's procurement organization and supply chain."

Norbert Broger to Be New CFO of Krones

(Press Release, 26 September 2019)

"At the Supervisory Board meeting of 25 September 2019, Norbert Broger was appointed Chief Financial Officer (CFO) of Krones AG with effect from 1 January 2020.

Norbert Broger has 30 years of professional experience in the international environment of the automotive and beverage industry, in plant and machine engineering, and in large-volume production, during which he has held various leadership positions in Germany and internationally."

Jens Torkel to Be New CEO of ROVEMA GmbH

(Press Release, September 2019)

"The industrial engineer began his career in 1988 at FETTE Compacting GmbH. He worked for IMA S.p.A. for several years in the USA and as Managing Director of IMA Kilian GmbH in Cologne. Jens Torkel deepened his profound knowledge of packaging technology as President of the Pharma and Cosmetics Division of OYSTAR, where he was also Chairman of the Management Board of IWK Verpackungstechnik GmbH. In particular, he was responsible for the strategic realignment and optimization of the value-added process."

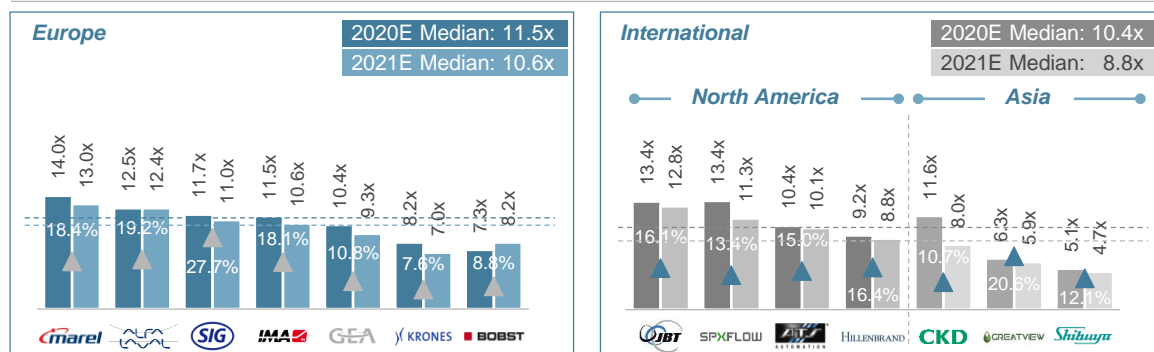
Select 2019 M&A Transactions

Announced Date	Acquirer	Target	Target Description	EV (€M)
17-Dec	Huizhou Jinyang Real Estate Development Co., Ltd.	Shantou Far East Light Industry and Chemical Industry Equipment Co., Ltd.	China-based plastics machinery and packaging equipment manufacturer	n.a.
18-Nov	HQ Equita	WOLF Verpackungs-maschinen GmbH	Germany-based company engaged in the manufacturing of packaging machinery	n.a.
30-Oct	Pro Mach, Inc.	Jet Label & Packaging Ltd.; Jet Marking Systems	Canada-based manufacturer of label and printed tape, label applicators, industrial printers, tracking and traceability solutions, and other ancillary equipment	n.a.
21-Oct	Altopack S.p.A.	Gamma Pack S.p.A.	Italy-based manufacturer of horizontal and vertical box carton packaging machines	n.a.
17-Oct	Pro Mach, Inc.	Grip-Pak	US-based manufacturer of packaging for beverage companies	n.a.
2-Oct	Paper Converting Machine Co., Inc.	STAX Technologies d.o.o.	Serbia-based provider of tissue packaging equipment	n.a.
30-Sep	Antares Vision S.r.l.	FT System S.r.l.	Italy-based company engaged in designing and manufacturing inspection and control devices for bottling and packing	68
16-Sep	GenNx360 Capital Partners LP; Harvey & Co. LLC	Schneider Packaging Equipment Co., Inc.	US-based end-of-line packaging machinery manufacturer and solutions provider to companies in the food, beverage, pharmaceutical, personal care, plastics, dairy, and paper industries	n.a.
17-Aug	Ambienta SGR S.p.A.	Amutec S.r.l.	Italy-based manufacturer of machines for production of plastic bags	90
9-Aug	Uhlmann Pac-Systeme GmbH & Co. KG	SensoLogic GmbH	Germany-based company engaged in software development	n.a.
8-Aug	IMA S.p.A.	GIMA TT S.p.A. (39.9% stake)	Italy-based packaging machinery and products manufacturer	276
7-Aug	Anders Invest B.V.	Van Dam Machine Europe B.V.	Netherlands-based company engaged in the engineering, production, and service of printing machines for the plastic and paper packaging industry	n.a.
7-Aug	IMA S.p.A.	Perfect Pack S.r.l. (60% stake)	Italy-based company engaged in the manufacturing of machinery producing single-dose packs	13
16-Jul	The Middleby Corp.	Packaging Progressions, Inc.	US-based company engaged in automated packaging technologies for customers in the protein and bakery segments	n.a.
12-Jul	CVC Capital Partners Ltd.	Bosch Packaging Technology GmbH	Germany-based company engaged in providing packaging solutions for manufacturers	n.a.
12-Jul	Hillenbrand, Inc.	Milacron Holdings Corp.	US-based provider of plastics processing technologies, metalworking fluids, and precision machining services	1,733
24-Jun	Pro Mach, Inc.	STOCK America, Inc.	US-based provider of sterilization solutions for packaging products	n.a.
19-Jun	Marchesini Group S.p.A.	Axomatic S.r.l.	Italy-based cosmetic packaging company	n.a.
3-Jun	John Bean Technologies Corp.	Prime Equipment Group, Inc.	US-based company engaged in the manufacturing of turnkey primary and water re-use solutions to the poultry industry	58
31-May	Robopac S.p.A.	Ocme S.r.l. (50% stake)	Italy-based company engaged in manufacturing packaging machinery and providing packaging solutions	n.a.
21-May	IMA S.p.A.	ATOP S.p.A. (69% stake)	Italy-based manufacturer of machines and automatic lines for the production of wound stators and rotors of electric motors	265
15-May	Duravant LLC	Motion06 GmbH	Austria-based manufacturer of machines and components for conveyor systems	n.a.
1-May	Mpac Group plc	Lambert Automation Ltd.	UK-based provider of leading technology automation solutions to the medical and consumer healthcare markets	17
29-Apr	John Bean Technologies Corp.	Proseal uk Ltd.	UK-based company engaged in manufacturing industrial machines and related parts	255
27-Feb	IMA S.p.A.	Spreafico Automation S.r.l. (70% stake)	Italy-based coffee capsules producer	7
14-Feb	Pro Mach, Inc.	Code Tech Corp.	US-based provider of inkjet marking and coding solutions	n.a.
31-Jan	Progressio SGR S.p.A.	Gampack S.r.l.	Italy-based machinery producer for the packaging industry	n.a.
22-Jan	John Bean Technologies Corp.	Lektro, Inc.	US-based company engaged in manufacturing aircraft tugs, offering electric, towbarless aircraft tractors to move piston engined aircraft, business jets, commercial airliners, and military aircraft	42

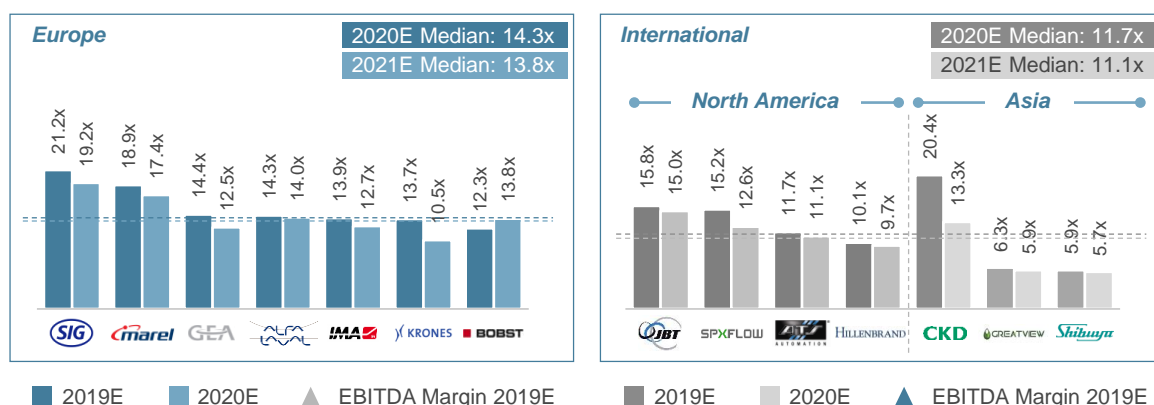
Sources: Company information, Mergermarket, S&P Capital IQ, press

Trading Comparables: Market Update

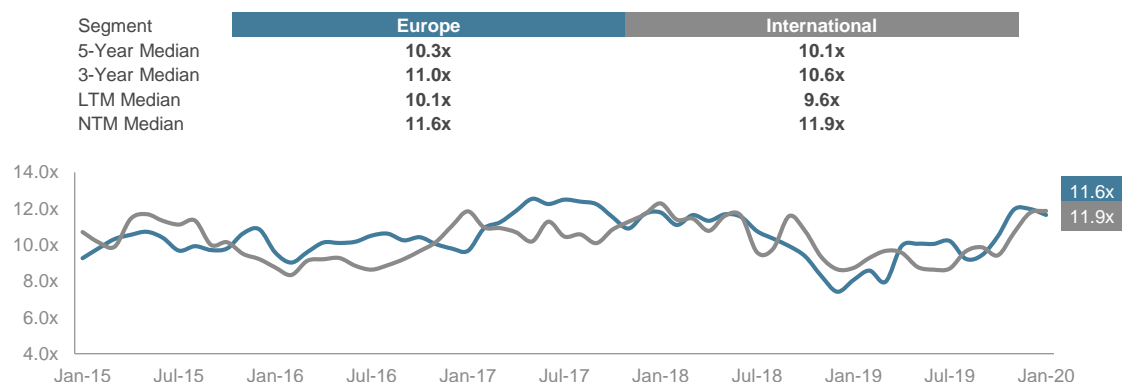
EV/EBITDA Multiple



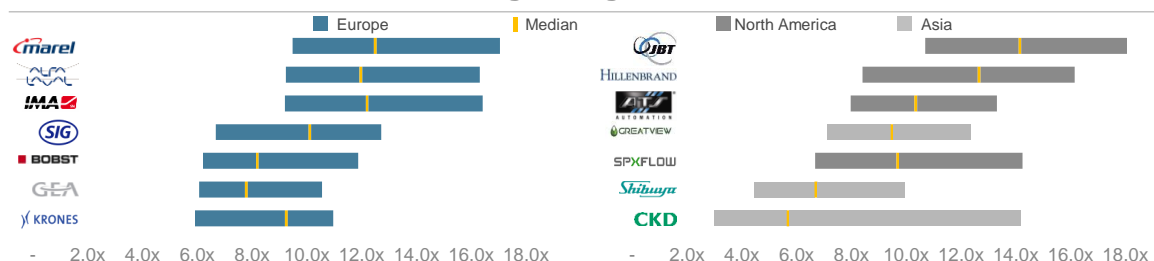
EV/(EBITDA Less Capex) Multiple



EV/NTM EBITDA Trading Over Time (5 Years)



EV/NTM EBITDA 5-Year Trading Range



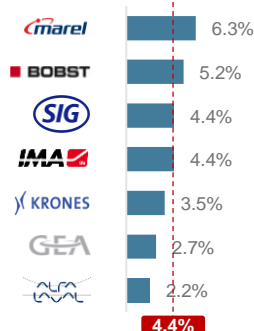
Financials are calendarised as of 31 December. Trading multiples are based on share price and market data listed as of 10 January 2020 and broker consensus future earnings estimates from S&P Capital IQ as of 10 January 2020.

Trading Comparables: Market Update (cont.)

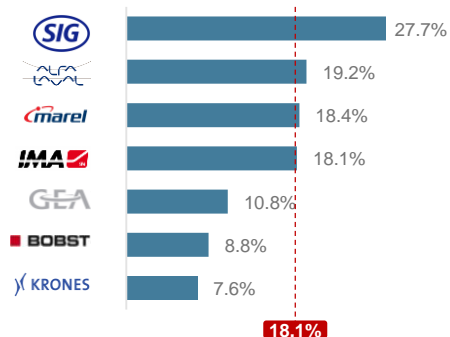
Benchmarking

Europe

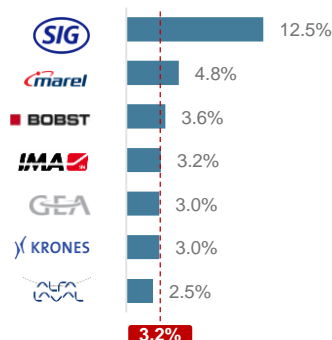
Sales CAGR '20A-'22E



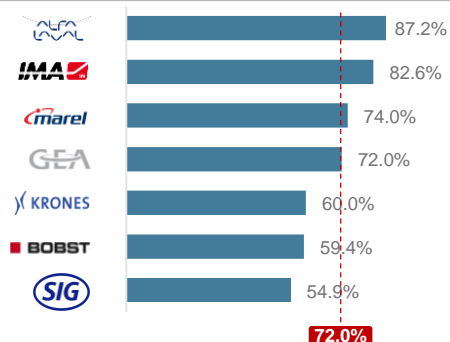
'20E EBITDA Margin



'20E Capex as % of Sales

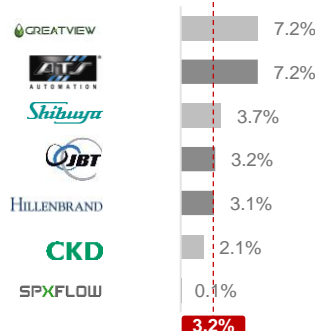


'20E Cash Conversion⁽¹⁾

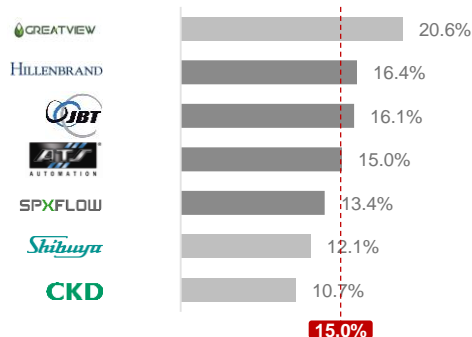


International

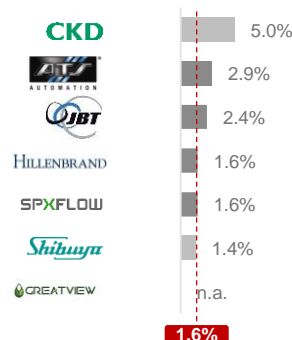
Sales CAGR '20A-'22E



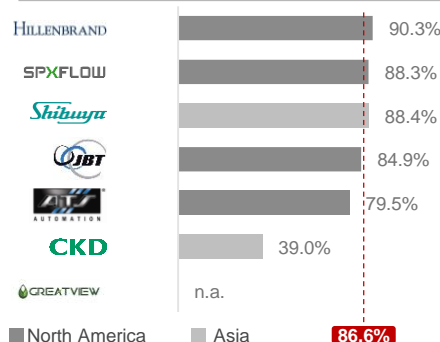
'20E EBITDA Margin



'20E Capex as % of Sales



'20E Cash Conversion⁽¹⁾



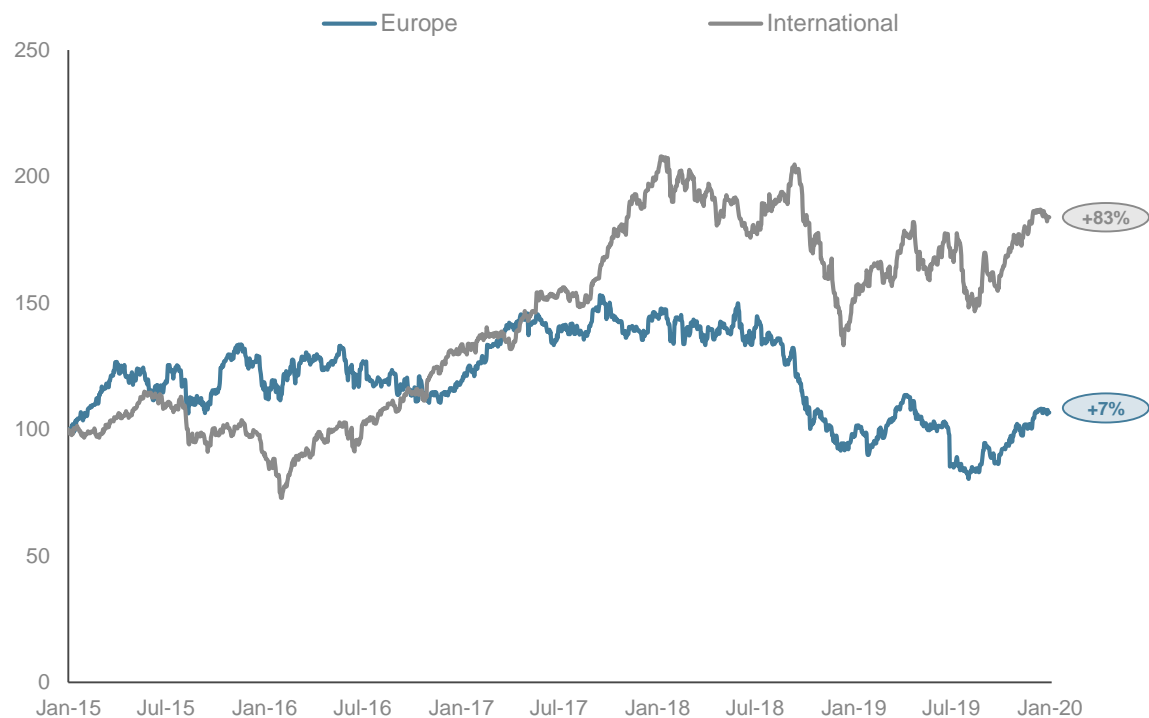
--- Median

(1) (EBITDA-Capex)/EBITDA

Financials are calendarised as of 31 December. Based on market data listed as of 10 January 2020 and broker consensus future earnings estimates from S&P Capital IQ as of 10 January 2020.

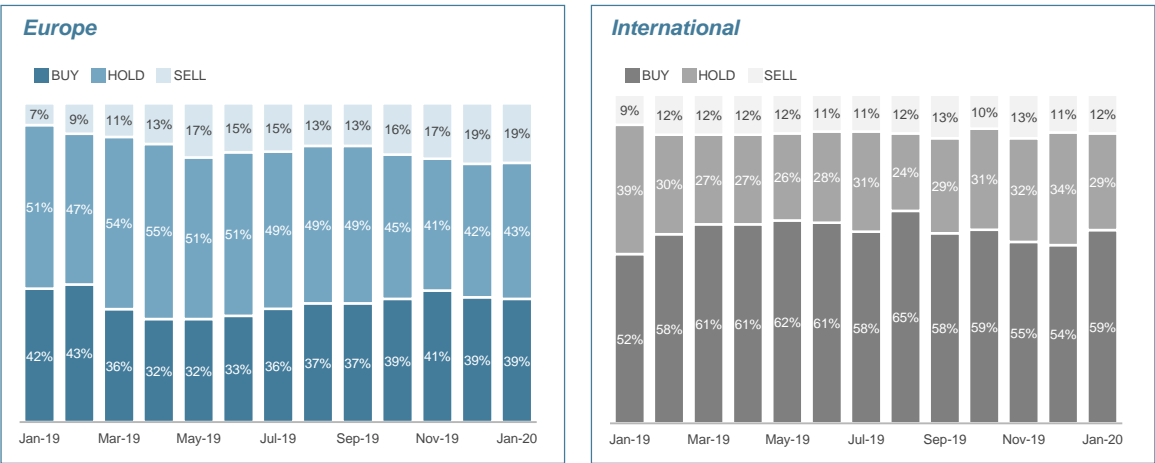
Trading Comparables: Trading Over Time

Indexed Stock Price Performance—Past 5 Years



Over the last 12 months, the indexed share prices of the European and International peer groups have risen 9.9% and 21.4%, respectively. International peers performed significantly better than European peers. The share prices of the international peers are almost 83% above the value of the past five years, while the share prices of the European peers have risen only 7%. Therefore, the broker consensus of European companies in the past 12 months with only 40% buy recommendations is much more cautious compared with the buy recommendations of almost 60% for international packaging machine manufacturers.

Development of Broker Recommendations—Past 12 Months



Appendix

Trading Statistics

Company	Country	Y/E	Mcap (EURm)	EV (EURm)	Sales Multiple			EBITDA Multiple			EBITDA - Capex Multiple		
					LTM	2020E	2021E	LTM	2020	2021	LTM	2020	2021
Europe													
GEA	DE	Dec	5,234	5,524	1.12x	1.12x	1.09x	13.5x	10.4x	9.3x	20.3x	14.4x	12.5x
I.M.A.	IT	Dec	2,757	3,592	2.32x	2.08x	1.98x	19.9x	11.5x	10.6x	23.5x	13.9x	12.7x
Krones	DE	Dec	2,151	2,525	0.61x	0.62x	0.60x	10.0x	8.2x	7.0x	27.2x	13.7x	10.5x
Bobst Group	CH	Dec	826	908	0.61x	0.64x	0.62x	10.4x	7.3x	8.2x	20.6x	12.3x	13.8x
Marel	IS	Dec	3,487	3,601	2.78x	2.57x	2.42x	16.7x	14.0x	13.0x	18.7x	18.9x	17.4x
Alfa Laval	SE	Dec	9,427	10,379	2.45x	2.39x	2.36x	13.2x	12.5x	12.4x	15.8x	14.3x	14.0x
SIG Combibloc	CH	Dec	4,528	6,026	3.51x	3.23x	3.08x	14.2x	11.7x	11.0x	25.4x	21.2x	19.2x
			Average	4,651	1.92x	1.81x	1.74x	14.0x	10.8x	10.2x	21.6x	15.5x	14.3x
			Median	3,601	2.32x	2.08x	1.98x	13.5x	11.5x	10.6x	20.6x	14.3x	13.8x
International													
John Bean Technologies	US	Dec	3,158	3,900	2.24x	2.15x	2.11x	16.0x	13.4x	12.8x	18.8x	15.8x	15.0x
ATS Automation Tooling Systems	CA	Mar	1,364	1,527	1.64x	1.55x	1.54x	12.4x	10.4x	10.1x	14.7x	11.7x	11.1x
Hillenbrand	US	Sep	2,186	2,510	1.54x	1.50x	1.47x	9.4x	9.2x	8.8x	10.3x	10.1x	9.7x
SPX FLOW	US	Dec	1,802	2,363	1.28x	1.80x	1.74x	10.5x	13.4x	11.3x	11.9x	15.2x	12.6x
CKD	JP	Mar	999	1,097	1.30x	1.24x	1.12x	14.5x	11.6x	8.0x	n.m.	20.4x	13.3x
Greatview	CN	Dec	542	499	1.56x	1.30x	1.22x	7.1x	6.3x	5.9x	12.1x	6.3x	5.9x
Shibuya	JP	Jun	700	565	0.62x	0.61x	0.59x	5.4x	5.1x	4.7x	7.7x	5.9x	5.7x
			Average	1,780	1.46x	1.45x	1.40x	10.8x	9.9x	8.8x	12.6x	12.2x	10.5x
			Median	1,527	1.54x	1.50x	1.47x	10.5x	10.4x	8.8x	12.0x	11.7x	11.1x

Average	1.69x	1.63x	1.57x	12.4x	10.3x	9.5x	17.5x	13.9x	12.4x
Median	1.55x	1.53x	1.50x	12.8x	10.9x	9.7x	18.7x	14.1x	12.6x
High	3.51x	3.23x	3.08x	19.9x	14.0x	13.0x	27.2x	21.2x	19.2x
Low	0.61x	0.61x	0.59x	5.4x	5.1x	4.7x	7.7x	5.9x	5.7x

Operating Statistics

Company	Country	Sales LTM	EBITDA LTM	EBIT LTM	Sales Growth			EBITDA Margin			EBITDA-Capex Margin		
					LTM	2020	2021	LTM	2020	2021	LTM	2020	2021
Europe													
GEA	DE	4,912	408	233	2.6%	1.1%	2.6%	8.3%	10.8%	11.8%	5.6%	7.8%	8.8%
I.M.A.	IT	1,547	180	178	12.6%	7.4%	5.0%	11.7%	18.1%	18.8%	9.9%	15.0%	15.6%
Krones	DE	4,114	253	139	5.0%	1.7%	3.0%	6.2%	7.6%	8.7%	2.3%	4.5%	5.7%
Bobst Group	CH	1,489	87	60	(2.3%)	(6.2%)	3.3%	5.8%	8.6%	7.6%	3.0%	5.2%	4.5%
Marel	IS	1,294	215	176	11.4%	6.7%	6.4%	16.6%	18.4%	18.7%	14.9%	13.6%	13.9%
Alfa Laval	SE	4,236	789	612	13.1%	0.4%	1.3%	18.6%	19.2%	19.0%	15.5%	16.7%	16.9%
SIG Combibloc	CH	1,715	425	149	--	5.0%	4.8%	24.8%	27.7%	28.0%	13.8%	15.2%	16.0%
Average					6.1%	2.3%	3.8%	13.1%	15.8%	16.1%	9.3%	11.2%	11.6%
Median					5.0%	1.7%	3.3%	11.7%	18.1%	18.7%	9.9%	13.6%	13.9%
International													
John Bean Technologies	US	1,743	244	188	3.8%	4.3%	2.1%	14.0%	16.1%	16.5%	11.9%	13.6%	14.1%
ATS Automation Tooling Systems	CA	930	123	93	16.5%	11.1%	3.6%	13.3%	15.0%	15.2%	11.2%	13.2%	13.8%
Hillenbrand	US	1,626	267	214	2.1%	2.2%	2.5%	16.4%	16.4%	16.8%	15.0%	14.8%	15.2%
SPX FLOW	US	1,844	226	176	19.8%	(2.8%)	3.0%	12.3%	13.4%	15.5%	10.8%	11.8%	13.9%
CKD	JP	843	76	29	(15.9%)	(13.8%)	11.2%	9.0%	10.7%	14.0%	(2.1%)	6.0%	8.4%
Greatview	CN	319	70	54	(1.5%)	7.4%	6.9%	22.0%	20.6%	20.6%	13.0%	20.6%	20.6%
Shibuya	JP	916	105	86	16.4%	0.4%	6.1%	11.4%	12.1%	12.5%	8.0%	10.3%	10.4%
Average					5.9%	1.3%	5.1%	14.0%	14.9%	15.9%	9.7%	12.9%	13.8%
Median					3.8%	2.2%	3.6%	13.3%	15.0%	15.5%	11.2%	13.2%	13.9%
High					6.0%	1.8%	4.4%	13.6%	15.3%	16.0%	9.5%	12.0%	12.7%
Low					4.4%	2.0%	3.5%	12.8%	15.5%	16.0%	11.0%	13.4%	13.9%
High					19.8%	11.1%	11.2%	24.8%	27.7%	28.0%	15.5%	20.6%	20.6%
Low					(15.9%)	(13.8%)	1.2%	5.8%	7.6%	7.6%	(3.1%)	4.5%	4.5%

Financials are calendarised as of 31 December. Trading multiples are based on share price and market data listed as of 10 January 2020 and broker consensus future earnings estimates from S&P Capital IQ as of 10 January 2020.

Appendix: About Houlihan Lokey

Houlihan Lokey (NYSE:HLI) is a global investment bank with expertise in [mergers and acquisitions](#), [capital markets](#), [financial restructuring](#), and [valuation](#). The firm serves corporations, institutions, and governments worldwide with offices in the United States, Europe, the Middle East, and the Asia-Pacific region. Independent advice and intellectual rigor are hallmarks of the firm’s commitment to client success across its advisory services. Houlihan Lokey is ranked as the No. 1 M&A advisor for all US transactions, the No. 1 M&A advisor for all US industrial transactions, and a top 10 most active global M&A advisor, according to Refinitiv (formerly known as Thomson Reuters). For more information, please visit www.HL.com.

Locations



Industry Expertise

Product Expertise

Mergers and Acquisitions
Capital Markets
Financial Restructuring
Financial and Valuation Advisory
Private Funds Advisory

Dedicated Industry Groups

Business Services
Consumer, Food, and Retail
Data and Analytics
Energy
Financial Institutions
Healthcare
Industrials
Real Estate, Lodging, and Leisure
Technology, Media, and Telecom

Financial Sponsors

Active Dialogue With a Diverse Group of 1,000+ Sponsors
Private Equity Firms
Hedge Funds
Capital Alliances

Disclaimer

© 2020 Houlihan Lokey. All rights reserved. This material may not be reproduced in any format by any means or redistributed without the prior written consent of Houlihan Lokey.

Houlihan Lokey is a trade name for Houlihan Lokey, Inc., and its subsidiaries and affiliates, which include those in (i) the United States: Houlihan Lokey Capital, Inc., an SEC-registered broker-dealer and member of FINRA (www.finra.org) and SIPC (www.sipc.org) (investment banking services); Houlihan Lokey Financial Advisors, Inc. (financial advisory services); HL Finance, LLC (syndicated leveraged finance platform); and Houlihan Lokey Real Estate Group, Inc. (real estate advisory services); (ii) Europe: Houlihan Lokey EMEA, LLP, and Houlihan Lokey (Corporate Finance) Limited, authorized and regulated by the U.K. Financial Conduct Authority; Houlihan Lokey S.p.A.; Houlihan Lokey GmbH; Houlihan Lokey (Netherlands) B.V.; Houlihan Lokey (España), S.A.; and Houlihan Lokey (Corporate Finance), S.A.; (iii) the United Arab Emirates, Dubai International Financial Centre (Dubai): Houlihan Lokey (MEA Financial Advisory) Limited, regulated by the Dubai Financial Services Authority for the provision of advising on financial products, arranging deals in investments, and arranging credit and advising on credit to professional clients only; (iv) Singapore: Houlihan Lokey (Singapore) Private Limited, an “exempt corporate finance adviser” able to provide exempt corporate finance advisory services to accredited investors only; (v) Hong Kong SAR: Houlihan Lokey (China) Limited, licensed in Hong Kong by the Securities and Futures Commission to conduct Type 1, 4, and 6 regulated activities to professional investors only; (vi) China: Houlihan Lokey Howard & Zukin Investment Consulting (Beijing) Co., Limited (financial advisory services); (vii) Japan: Houlihan Lokey K.K. (financial advisory services); and (viii) Australia: Houlihan Lokey (Australia) Pty Limited (ABN 74 601 825 227), a company incorporated in Australia and licensed by the Australian Securities and Investments Commission (AFSL number 474953) in respect of financial services provided to wholesale clients only. In the European Economic Area (EEA), Dubai, Singapore, Hong Kong, and Australia, this communication is directed to intended recipients, including actual or potential professional clients (EEA and Dubai), accredited investors (Singapore), professional investors (Hong Kong), and wholesale clients (Australia), respectively. Other persons, such as retail clients, are NOT the intended recipients of our communications or services and should not act upon this communication.

Houlihan Lokey gathers its data from sources it considers reliable; however, it does not guarantee the accuracy or completeness of the information provided within this presentation. The material presented reflects information known to the authors at the time this presentation was written, and this information is subject to change. Houlihan Lokey makes no representations or warranties, expressed or implied, regarding the accuracy of this material. The views expressed in this material accurately reflect the personal views of the authors regarding the subject securities and issuers and do not necessarily coincide with those of Houlihan Lokey. Officers, directors, and partners in the Houlihan Lokey group of companies may have positions in the securities of the companies discussed. This presentation does not constitute advice or a recommendation, offer, or solicitation with respect to the securities of any company discussed herein, is not intended to provide information upon which to base an investment decision, and should not be construed as such. Houlihan Lokey or its affiliates may from time to time provide investment banking or related services to these companies. Like all Houlihan Lokey employees, the authors of this presentation receive compensation that is affected by overall firm profitability.

**CORPORATE FINANCE
FINANCIAL RESTRUCTURING
FINANCIAL AND VALUATION ADVISORY**

HL.com