

4Q M&A Activity Update

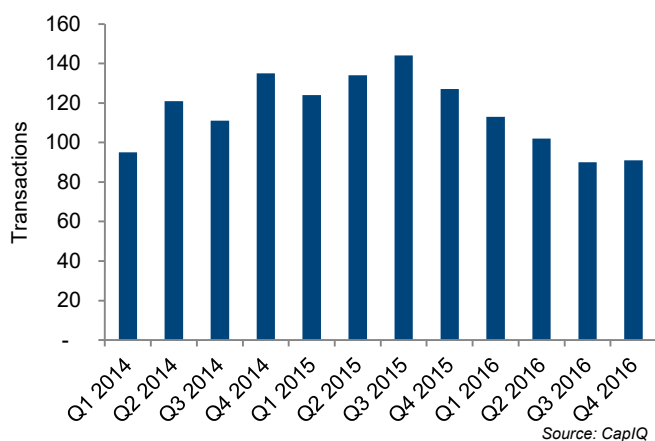
Global M&A transaction volume in the Printing & Packaging sector during the 4th quarter of 2016 (91 closed transactions) was similar to the activity experienced during the 3rd quarter (90 closed transactions). While transaction volume demonstrated stability from 3Q 2016 to 4Q 2016, total transaction volume during the second half of 2016 (181 closed transactions) was down 16% from total first half 2016 transactions (215 closed transactions) and down 33% from levels seen during the second half of 2015 (271 closed transactions).

The decline in transaction volume in the Printing & Packaging sector is attributable to a number of key macroeconomic headwinds and geopolitical concerns. These include concerns on the part of acquirers over the potential impacts of the BREXIT vote on foreign exchange / currency markets (June 2016), year-over-year declines in Chinese economic activity, and potential impacts on international trade as a result of the U.S. presidential elections (November 2016). Combined, these concerns led to the postponement or can-

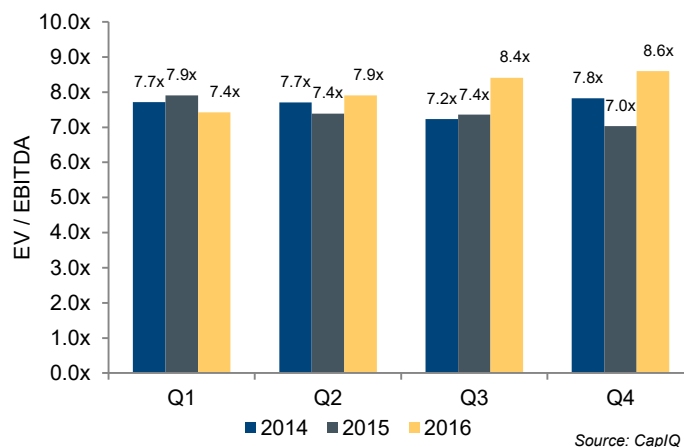
cellation of more than 100 (Source: Ernst & Young) transactions in the Printing & Packaging sector during 2016, the largest number of deal cancellations in the industry since the financial crisis of 2008. In addition to these broad based industry concerns, record transaction closings in the Printing & Packaging industry during 2015 (529 closed transactions, created a difficult set of year-over-year volume comparisons, amplifying the increasingly negative year-over-year rates in transaction activity growth during each quarter of 2016.

In the second half of 2016, transaction multiples in the Printing & Packaging sector trended higher for the fourth consecutive quarter (7.0X EBITDA during Q4 2015, 8.6X EBITDA during Q4 2016). Elevated transaction multiples are supported by strategic acquirers focusing on acquisitions and consolidation opportunities as a key growth driver in order to offset modest long-term industry growth estimates (EdgePoint believes the Printing & Packaging industry will grow between 1.5% and 2.5% annually through 2021).

Transactions by Quarter



Valuation Metrics by Quarter



4Q M&A Activity Update (Continued)

Strategic acquirers once again accounted for the majority of closed transactions in the Printing & Packaging sector during Q4 2016 (90%). This is an increase from the impressive share of 81% of closed transactions during 2015. Strategic acquirers, focused on acquisitions as a primary growth driver, continued to pay premium multiples compared to financial acquirers (strategic acquirers average multiple 8-9X EBITDA vs. financial acquirers average multiple of 6-7X EBITDA).

Notable transactions during Q4 2016 include the acquisition of Anchor Glass Container Corporation by BA Glass BV for \$1.0 billion (December 2016), the acquisition of Rigid Plastics

Blow Molding Operations by Amcor Limited for \$280 million, and the acquisition of Plastiap S.p.A by RPC Group Plc for \$160 million.

With uncertainty from the presidential election removed, year-over-year growth in China stabilizing and expected to accelerate supported by recently announced additional stimulus plans, and a better understanding of the BREXIT impact on currency markets, EdgePoint expects M&A activity in the Printing & Packaging industry to accelerate during coming quarters as strategic and financial buyers continue to focus on growth through acquisition.

Select Printing & Packaging Transactions | Q4 2016

M&A Closed Date	Target/Issuer	Buyers/Investors	Price (\$USDmm)	Target Description
11/5/2016	Tech Pack S.A. (SNSE:TECHPACK)	Quinenco S.A. (SNSE:QUINENCO)	\$67	Produces and sells packaging solutions
12/28/2016	Renkim Corporation	-	ND	Provides print and mail solutions
11/8/2016	Rigid Plastics Blow Molding Operations	Amcor Rigid Plastics USA, Inc.; Amcor Packaging Canada Inc.	\$280	Plastic container production
12/16/2016	Manchester Industries, Inc.	Clearwater Paper Corporation (NYSE:CLW)	\$68	Offers custom sheeted products
12/7/2016	Anchor Glass Container Corporation	CVC Capital Partners Limited; BA Glass BV	\$1000	Designs, manufactures, and supplies glass containers
10/20/2016	Maestro Managed Print Solutions, LLC	IBS Direct, Inc.	ND	Strategic outsourcing of print / media services
10/28/2016	Outlook Group Corp.	M&Q Packaging Corporation	ND	Provides packaging, printing, and direct mail services
12/19/2016	Behrens Manufacturing, LLC	Mill City Capital, L.P.	ND	Manufactures and sells steel containers
11/1/2016	North Pacific Paper Corporation	One Rock Capital Partners, LLC	ND	Produces news print and uncoated mechanical paper
11/30/2016	Columbus Container Inc.	Packaging Corporation of America (NYSE:PKG)	\$100	Manufactures and supplies corrugated packaging products
11/21/2016	ProAmpac LLC	Pritzker Group Private Capital	ND	Manufactures flexible packaging products
10/18/2016	Vitex Packaging Group, Inc.	ProAmpac LLC	ND	Offers flexible packaging products for tea and coffee, food, and medical markets
10/28/2016	Plastic Packaging Inc.	Sonoco Products Co. (NYSE:SON)	\$65	Manufactures and markets flexible plastic packaging products
11/28/2016	Durabox Paper Inc.	Supremex Inc. (TSX:SXP)	ND	Manufactures corrugated paper boxes
10/17/2016	FLEXSTAR Packaging Inc.	Transcontinental Inc. (TSX:TCL.A)	ND	Manufactures custom printed, laminated, and flexible roll-stock and specialty roll-stock and specialty films
11/3/2016	McKinnon Printing, Inc.	Traxium, LLC	ND	Provides binding, mailing, and fulfillment services
11/10/2016	National Plastics, Inc.	VisiPak, Inc.	ND	Designs and manufactures clear thermoformed plastic packaging products

Source: CapIQ

Representative EdgePoint Business Services Transactions

Buy-Side Advisory  <small>Digital & Flexo Label Printing • Coupons • Flexible Packaging A Dole International Group, LLC Company</small> Benchmark Graphics, Inc. <i>has been acquired by</i> Hooven-Dayton Corporation	Sell-Side Advisory  Carlith Printing, Inc. <i>has sold to</i> SR Capital Partners	Sell-Side Advisory  Doodad <i>has sold to</i> Waveland Investments, LLC	Sell-Side Advisory  Custom Paper Tubes <i>has sold to</i> Members of Management	Buy-Side Advisory  <small>digital color imaging total visual communications</small> DCI, a subsidiary of Che International Group <i>has acquired</i> Digital Color Imaging
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Advisory
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