

# *Packaging's next chapter*

Unlocking value and accelerated deal flow in a global post mega-merger era



10 February 2026

# Executive summary

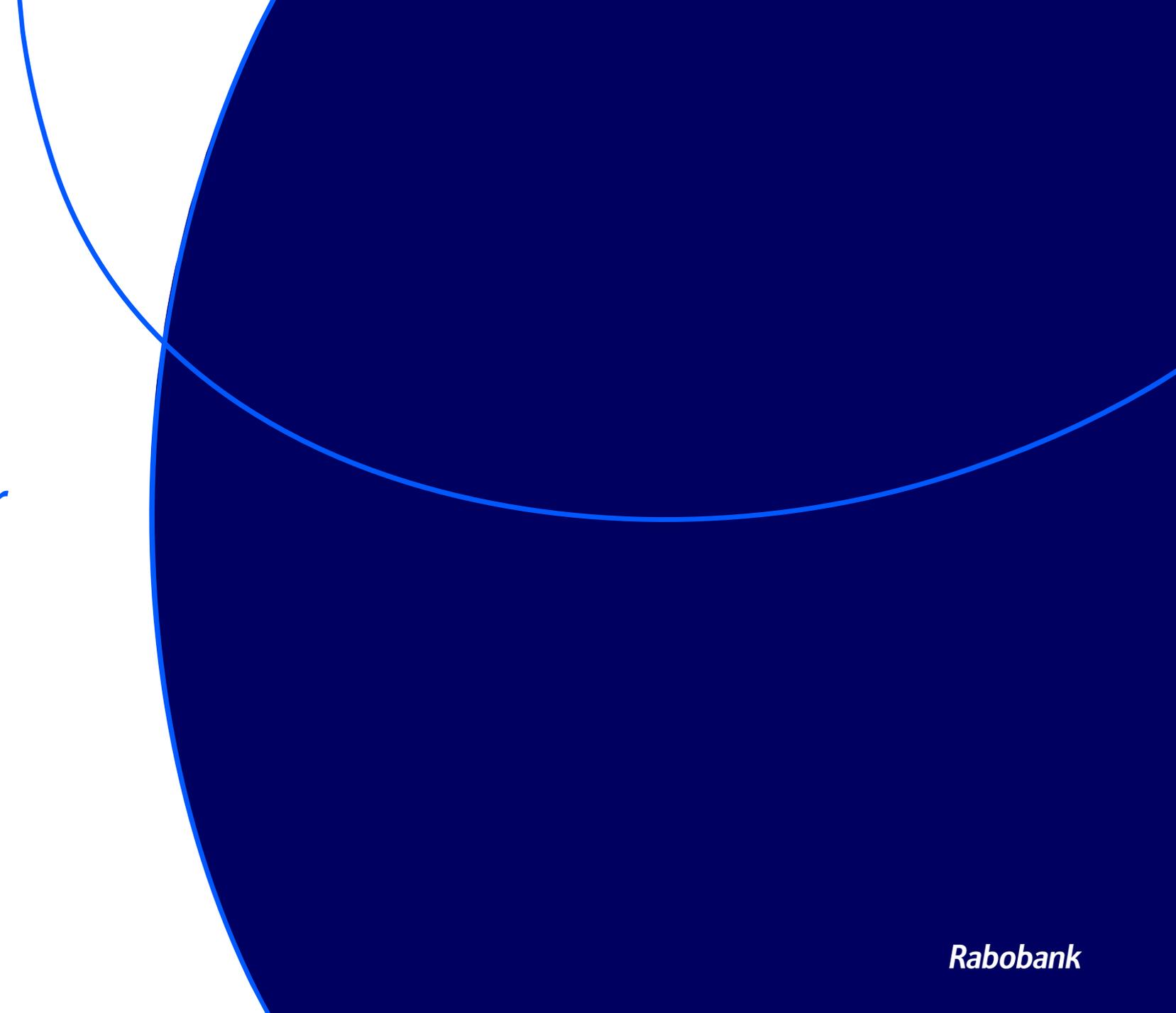
## Table of contents

1. The new reality after mega-mergers .....P3
2. Mounting challenges: why acting now matters .....P5
  - Volatile global conditions redefine outlook
  - Extended downturn pressures organic growth
  - Shares slide, valuations under pressure
  - Balance sheet pressure forces strategic outcomes
  - Private equity under time pressure
  - Scale wins as packaging rules tighten
3. The next frontier for value creation.....P12
  - Return to fundamentals
  - Winning on value: beyond price and volume
  - Bigger isn't always better
  - Cross-material M&A remains niche
  - Is there room for more mega-mergers
  - Business sustainability can be key to growth
4. Next steps: Charting the industry's path forward .....P19

The global packaging industry is entering a new strategic cycle shaped by margin pressure, valuation resets, and rising regulatory demands. A prolonged period of weak demand, higher borrowing costs, and volatile trade have exposed structural challenges, especially for mid-tier converters and capital-intensive packaging producers. Many companies now face lower asset utilization, higher input and compliance costs, and limited organic growth, which is prompting a renewed wave of mergers and acquisitions. Private equity is also expected to release a significant pipeline of assets beginning in 2026, adding further momentum.

Regulation in Europe and the US is accelerating consolidation. Europe's sustainability mandates favor larger, multi-material players with the scale to absorb compliance costs and invest in circularity. In the US, the fragmented rollout of packaging rules is increasing the value of flexible footprints, access to recycling infrastructure, and recycled content capability. As a result, acquisition priorities are shifting toward capability building in areas such as recyclability, recycled content integration, fiber security, and energy efficiency.

Success in this environment requires clarity of focus and disciplined growth. Leading companies are prioritizing core assets, improving operational performance, and pursuing targeted acquisitions in high-value substrates and strategic regional markets. Those that act early will shape the next phase of value creation in a rapidly changing industry.



1.  
*The new reality after  
mega-mergers*

# The post-mega-merger era

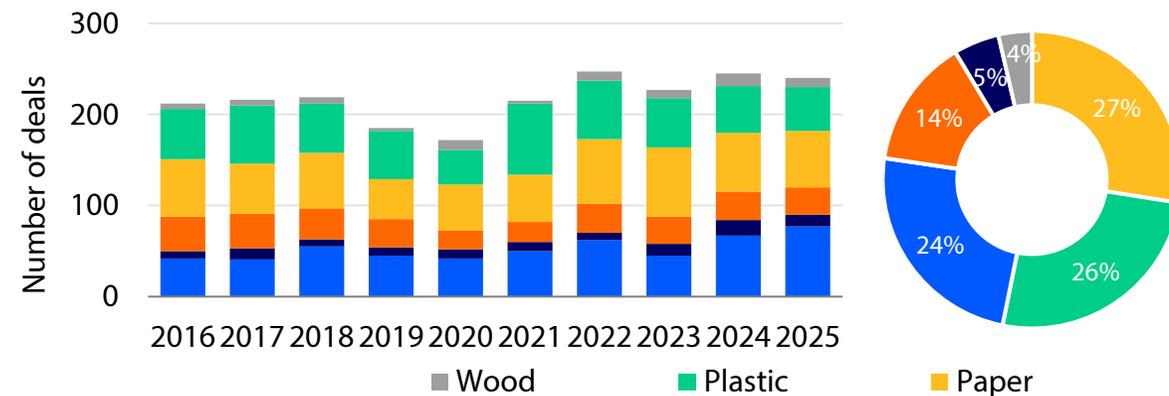
After a series of global mega-mergers, the packaging mergers and acquisitions (M&A) market has experienced a significant slowdown. Overall deal activity in the packaging sector declined by 20% in 2024 compared to its peak in 2022. However, a series of global mega-mergers significantly increased deal value at the same time, with notable examples including the [Smurfit WestRock merger](#), International Paper joining forces with DS Smith (prior to re-splitting), and the latest [merger of Amcor and Berry](#).

During the five-year period from 2020 to 2025, the paper and plastic sectors dominated the total number of deals within the packaging sector, each accounting for close to one-third of the deal volume. The packaging distributor space followed,

while deals in the glass and metal<sup>1</sup> and other packaging sectors were relatively rare.

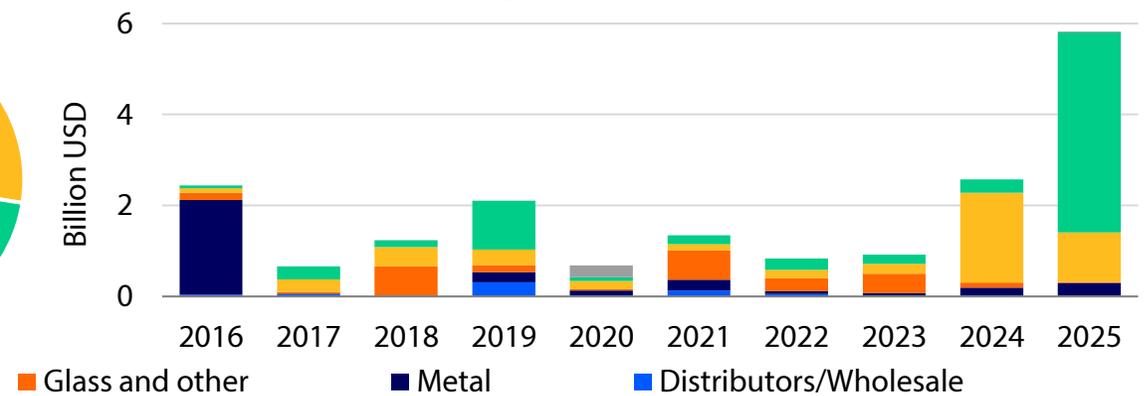
To truly grasp the scale of mega-mergers, we can examine the deal size chart. Before 2024, most deals were under USD 500 million, with occasional large transactions like Ball's 2016 acquisition of Rexam, and Amcor's acquisitions of RPC and Bemis in 2019. However, since the second half of 2023, we witnessed mega-mergers in the paper, plastic, and metal packaging sectors, forming packaging powerhouses on a global scale. We've entered a post-mega-merger era, where packaging producers face ultra-large, integrated competitors in an increasingly concentrated market.

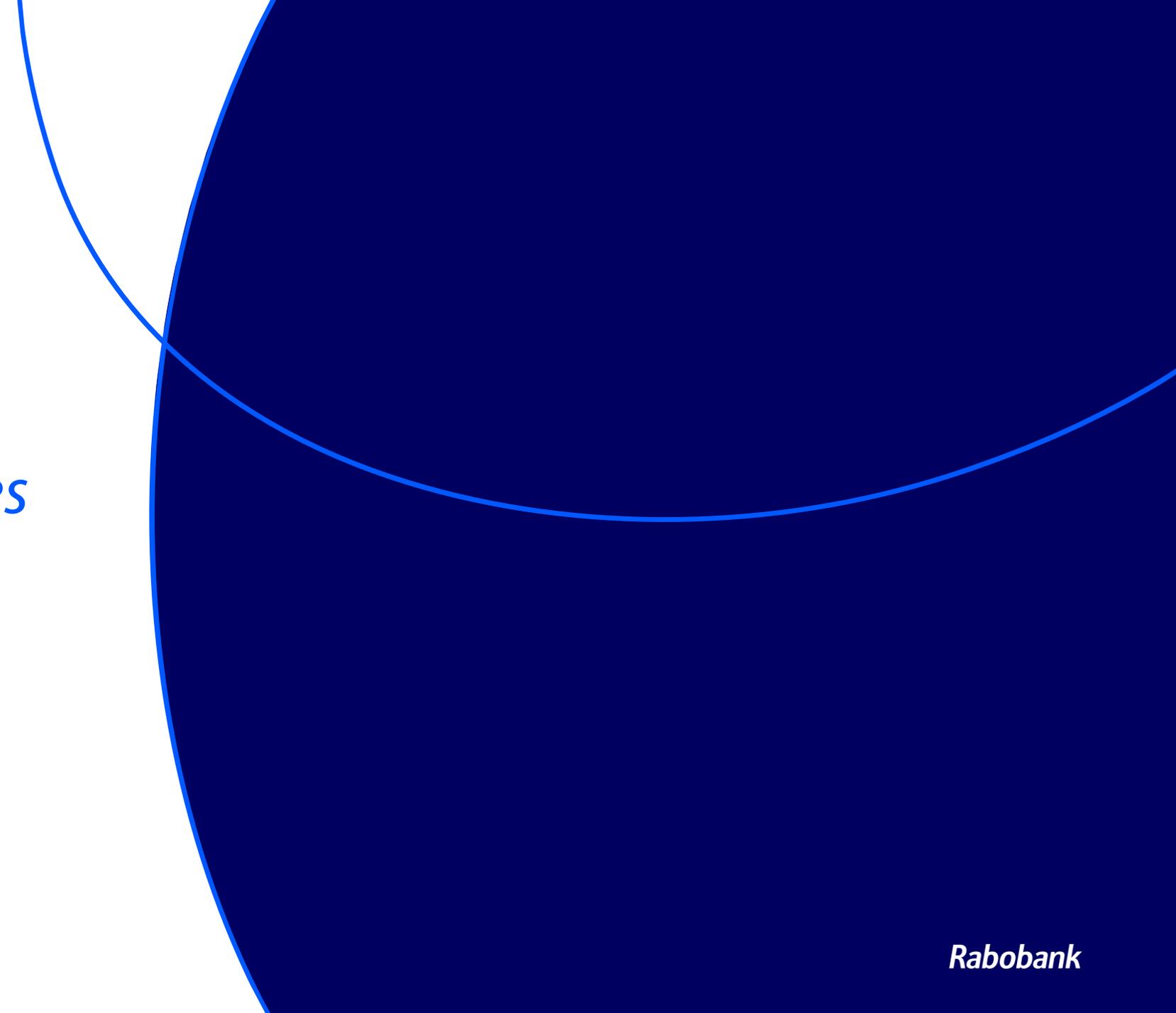
Global packaging M&A transactions, 2016-2025



*Note: The glass and metal packaging sectors are more consolidated and thus deal activity is increasingly weak.*  
*Source: Pitchbook, RaboResearch 2026*

M&A transactions by average deal size





## 2. *Mounting challenges*

Why acting now matters

# Volatile global conditions redefine outlook

The market has faced [heightened geopolitical volatility](#) throughout 2025, the first year of President Trump's second term. While we now anticipate a [milder tariff environment](#) with less than 15% universal tariffs going forward, the damage from earlier trade disruptions may already be done. More uncertainty lies ahead as [President Trump shifts to the use of American economic statecraft over economic policy](#) and uses economic tools for national interest.

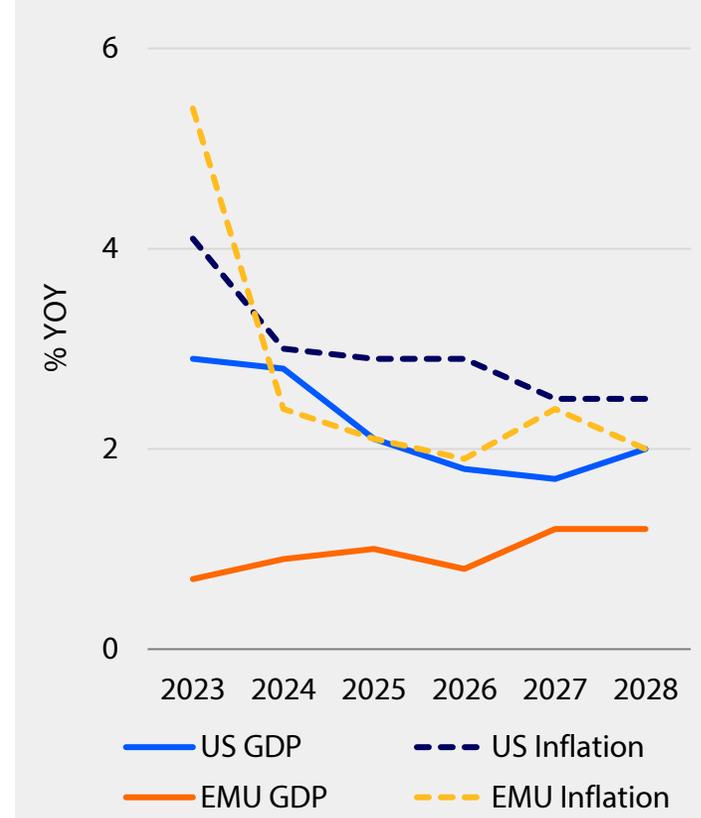
We expect [inflation to remain elevated](#) across the US and Europe, which will continue to add pressure on COGS in the packaging supply chain. Additionally, combined with rising unemployment, this continues to constrain consumer spending and [dampen packaging demand](#). At the same time, deregulation and tax cuts could provide a foundation for stronger recovery once the current turbulence subsides, although likely not before late 2026.

[Energy supply](#) is a rare bright spot for 2026, turning bearish amid reports of a possible US-brokered Russia-Ukraine peace deal, though its outcome remains far from certain. Crude oil faces oversupply that could deepen if Russian sanctions are lifted, while natural gas is entering a bearish cycle amid abundant LNG. Electricity prices are also set to fall on lower gas and renewable generation costs. However, [geopolitical tensions](#), from Iran to the escalating US-EU tariff dispute over Greenland, continue to [inject uncertainty](#), driving price swings, keeping volatility elevated.

In the packaging sector, acquirors are likely to prioritize factors such as North American manufacturing footprints, raw material supply chain resilience, labor availability, regulatory shifts, and the long-term impact of near-shoring and reshoring trends. As economic conditions evolve, M&A strategies will reflect a heightened focus on mitigating risk while capitalizing on opportunities for growth and consolidation.

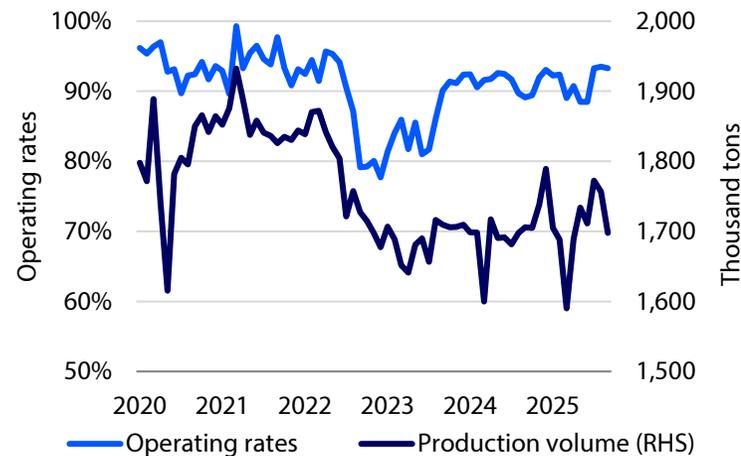
Source: RaboResearch 2026

RaboResearch macro forecast, Q4 2025

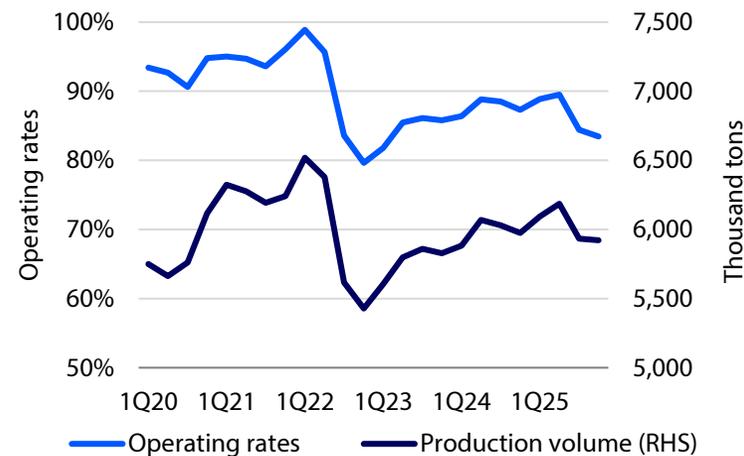


# Extended downturn pressures organic growth

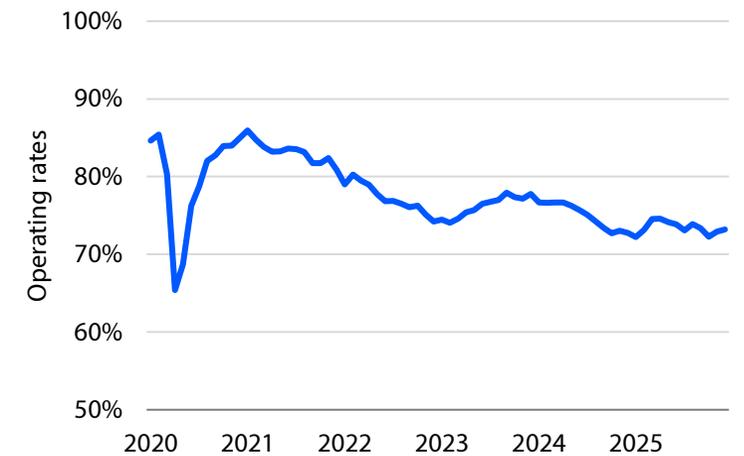
## US linerboard



## W. Europe recycled containerboard



## US plastic and rubber products



The packaging sector, once a strong Covid-era performer, has entered a prolonged downturn, driven by weak consumer spending and broad-based destocking. Over the past two to three years, **sales volumes and operating rates have dropped sharply**, forcing temporary and permanent capacity closures. In the US, linerboard cutup in the first nine months of 2025 is ~9% below 2021 levels, and recent operating-rate improvements reflect capacity shutdowns by market leaders rather than true demand recovery. Europe remains even more **oversupplied**; its fragmented market structure is slowing the permanent closures needed to rebalance the market, with more reductions expected in 2026. Meanwhile, US plastic manufacturing utilization has also fallen below 75%, underscoring ongoing sector pressure. A slow, uneven recovery is expected through 2026.

In Europe, **packaging producers face additional headwinds**, from high energy costs to succession issues and rising sustainability-related regulation, further constraining organic growth.

Source: Fastmarkets, US Federal Reserve, RaboResearch 2026

# Shares slide, valuations under pressure

## Macroeconomic conditions created the perfect storm

Growing market uncertainties have pushed public companies to seek growth and create value to shareholders through M&A.

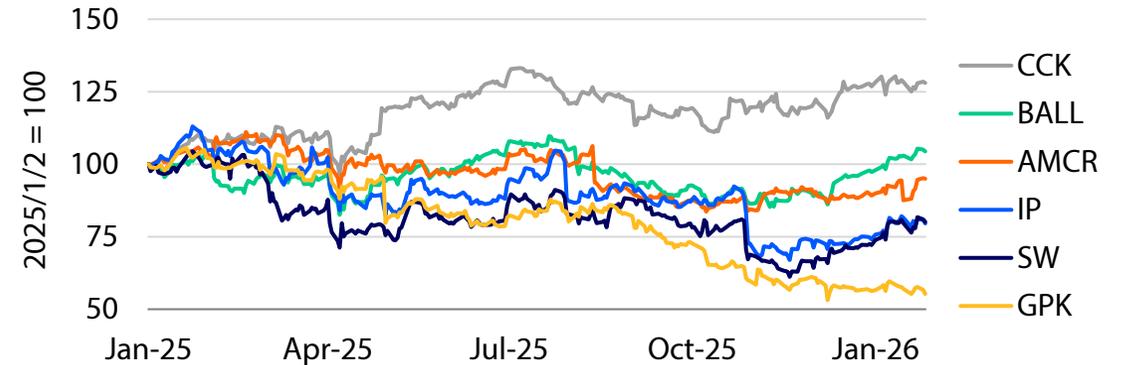
- **Inflation and cost sensitivity** are key factors, as high costs for raw materials, logistics, and labor squeeze margins, making efficiency gains and synergy creation through consolidation a priority.
- Many CPG companies reported **volume declines** of ~4% in Q3 2025, extending earlier softness. With their core customers under pressure, packaging companies face muted organic growth.
- **High interest rates** have raised buyouts (LBO) costs, and constrained private equity returns. This has depressed valuations, creating more attractive entry points for strategic buyers.
- **Supply chain disruptions and tariff/geopolitical volatility** are prompting companies to explore alternative geographies to mitigate risk.

As a result, stock prices and valuation multiples came down, triggering **leadership shake-ups**, with several CEOs replaced already. Many large strategic players have remained on the sidelines, waiting for the right moment to act. Today's environment offers an opportunity to acquire assets at lower valuations, setting the stage for a wave of strategic M&A activity.

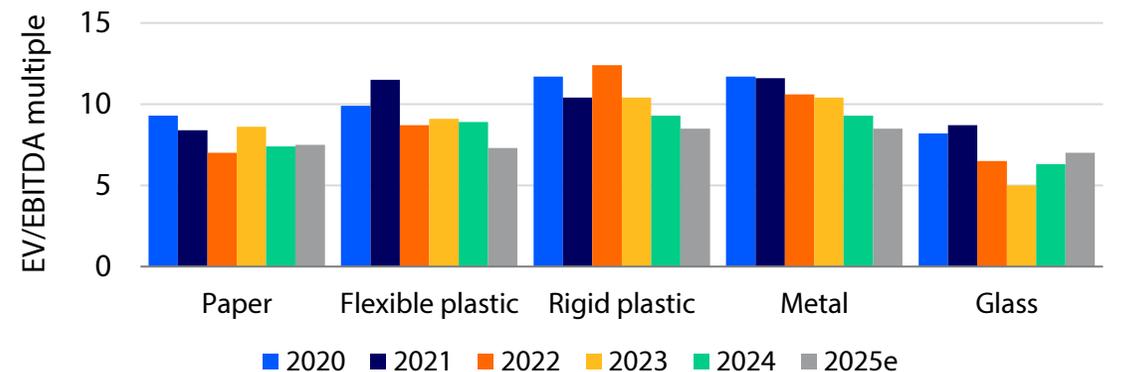
*Note: Stock prices reflect data as of January 27, 2026.*

*Source: Bloomberg, FactSet, RaboResearch 2026*

## Stock prices index of key packaging companies



## Multiples of packaging companies on the decline



# Balance sheet pressure forces strategic outcomes

## Rising leverage fuels bankruptcies, not limited to packaging

Debt-to-EBITDA multiples climbing		Bankruptcies surge	
Middle market LBOs	<b>4.9x</b>	Large Corporate Bankruptcies (12 months ending June 2025)	<b>117</b>
Broadly syndicated loans	<b>5.8x</b>	Vs. prior 12 months	<b>+4%</b>
Max lender comfort zone	<b>3.5 – 5.5x *</b>	Vs. 2005-2024 average	<b>+44%</b>
* less than ~3.5x is generally acceptable based on underwriting criteria		Mega bankruptcies 1H 2025	<b>17</b>

Segment	Debt-to-equity ratio	Period	Assessment
S&P 500 Containers & Packaging Index	<b>1.41x</b>	2025	Moderate; improving trend
S&P 500 Industry Avg.	<b>0.61x</b>	2024-2025	Industry benchmark for comparison
Middle market LBOs	<b>4.90x</b>	2024	Highly leveraged; vulnerable to volume shocks

Source: Cornerstone Research, S&P, Phoenix Strategy Group, Private Capital Global, Bain & Co., RaboResearch 2026

## Why this drives M&A?

- **Fixed costs cut both ways.** When plants run below capacity, margins quickly erode and underutilized assets strain both profitability and covenant headroom.
- **Capex needs didn't go away.** Even under pressure, operators still need to invest in automation, efficiency upgrades and regulatory compliance.
- **Financing has reset.** Higher-for-longer rates make refinancing painful, pushing owners towards strategic alternatives rather than piling on more debt.

## Value creation for sellers

- Sales to scaled players that can absorb volume, streamline assets, and unlock synergies quickly.
- Carve-outs and divestitures of non-core plants, substrates, or geographies to stabilize liquidity and sharpen focus.
- Public to private or sponsor-led resets, giving businesses room to restructure operations and re-emerge stronger in three-to-five years.

## Value creation for buyers

- Attractive entry points for scaled acquirers, offering control positions in businesses with tangible assets, established customer relationships, plant networks, skilled labor, and available capacity, often priced below replacement cost.
- A value-creation thesis built on operational discipline, optimizing footprints, cutting costs, and repairing balance sheets to drive durable returns.

# Private equity under time pressure



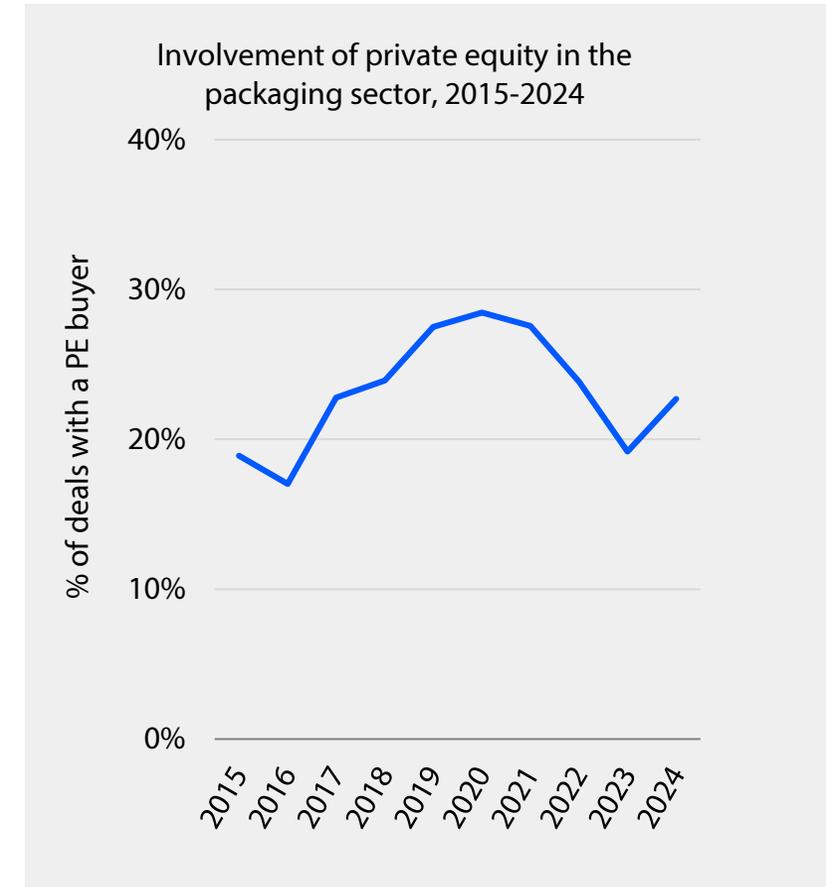
Private equity firms normally operate in cycles of **buy-improve and/or grow-exit**, which typically last between **three-to-seven years** in order to actualize return for their investors. PE firms acquired a large number of packaging companies during 2019-2021 directly or through platforms. Therefore, we expect these companies to gradually come to market starting in 2026 and 2027.



Additionally, if and when rates fall (Rabobank expects two more rate cuts in the US) and containerboard demand recovers, private equity and small- to mid-sized industry players are likely to become more active. This will lead to **increased consolidation** across companies of all sizes in the packaging supply chain.



Geopolitical volatility in 2025 has complicated valuation and investment return assessments, while heightening risk profiles. Consequently, many investors have remained on the sidelines, **deferring commitments** until uncertainty diminishes. We anticipate tariff-related uncertainties to remain in 2026, or throughout President Trump's term, creating a **volatile** environment for operations and M&A valuations.



Source: MergerMarket, RaboResearch 2026

# Scale wins as packaging rules tighten

## Scale drives compliance efficiency but benefits may plateau

### Europe

Europe continues to push the [most aggressive packaging regulatory agenda](#) globally, with sweeping rules aimed at recyclability, recycled content, waste reduction, and reuse across all substrates. The net effect is higher compliance costs, heavier documentation requirements and greater operational complexity for packaging producers and brand owners alike. These pressures favor scale, accelerating consolidation and advantaging companies with diversified material portfolios, inhouse compliance capabilities, and strong customer alignment. As a result, some European packaging players are increasingly viewing North America as a comparatively lower-cost, more flexible growth market.

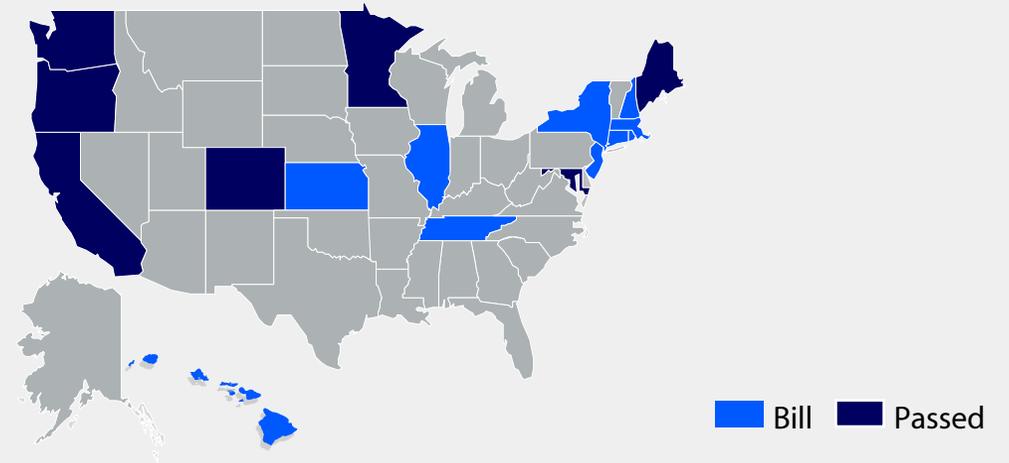
### North America

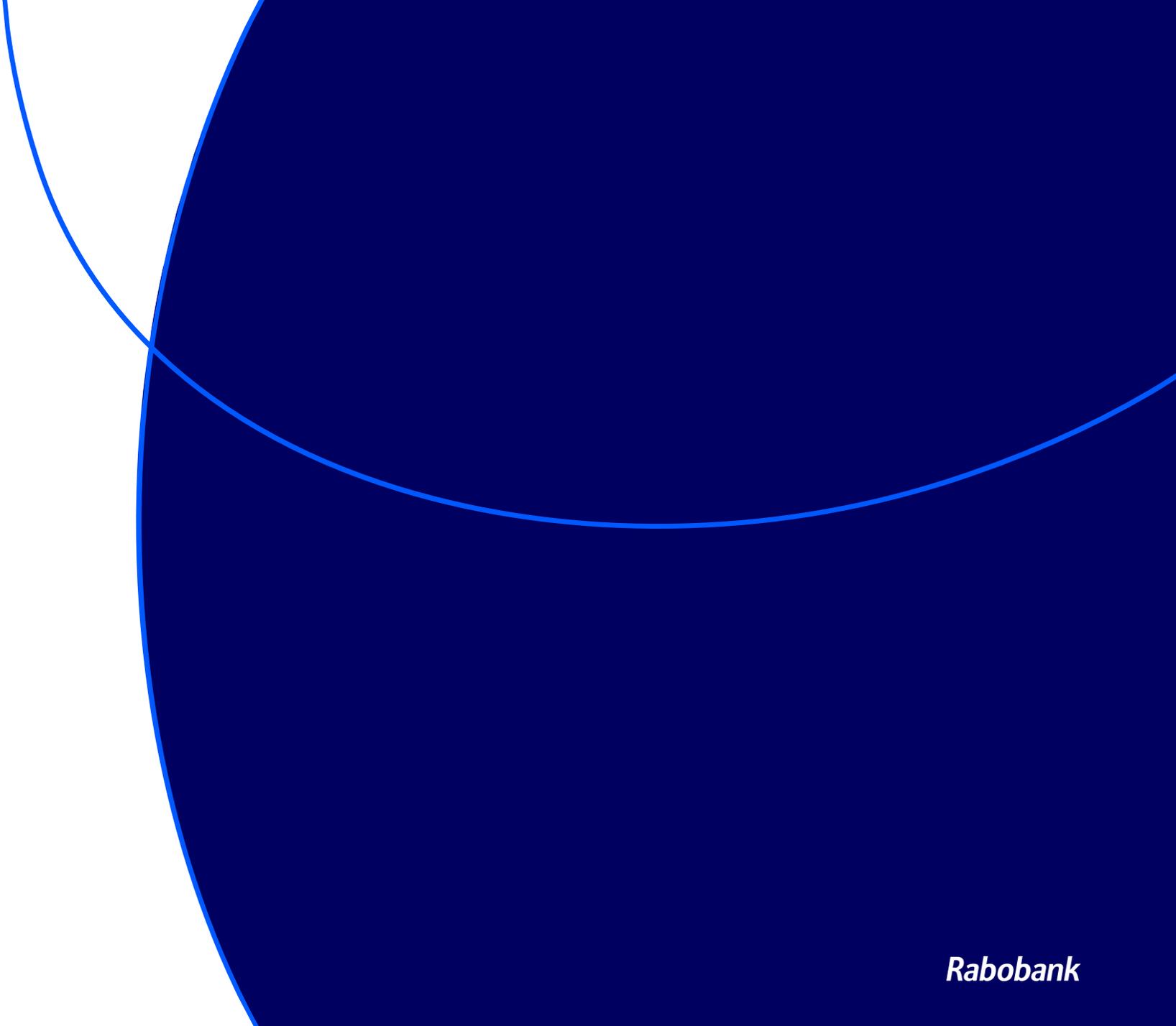
In the US, the state-by-state rollout of EPR and related packaging rules is quietly reshaping deal strategy. [Regulatory fragmentation](#) increases the value of scale, footprint flexibility, and multi-material portfolios, traits often built faster through acquisition than organic investment. M&A is increasingly focused on buying downstream recycling access, PCR supply, or design for recyclability expertise as well as consolidating regional converters to spread compliance and reporting costs. Unlike in Europe, regulation in the US does not focus on immediate transformation but is pulling forward strategic deals; companies are acquiring optionality ahead of broader mandates. For acquirers, the winners will be those using M&A to future proof portfolios rather than simply adding volume.

### European regulatory framework at a glance



### US state-by-state EPR approach forces compliance to the lowest common denominator

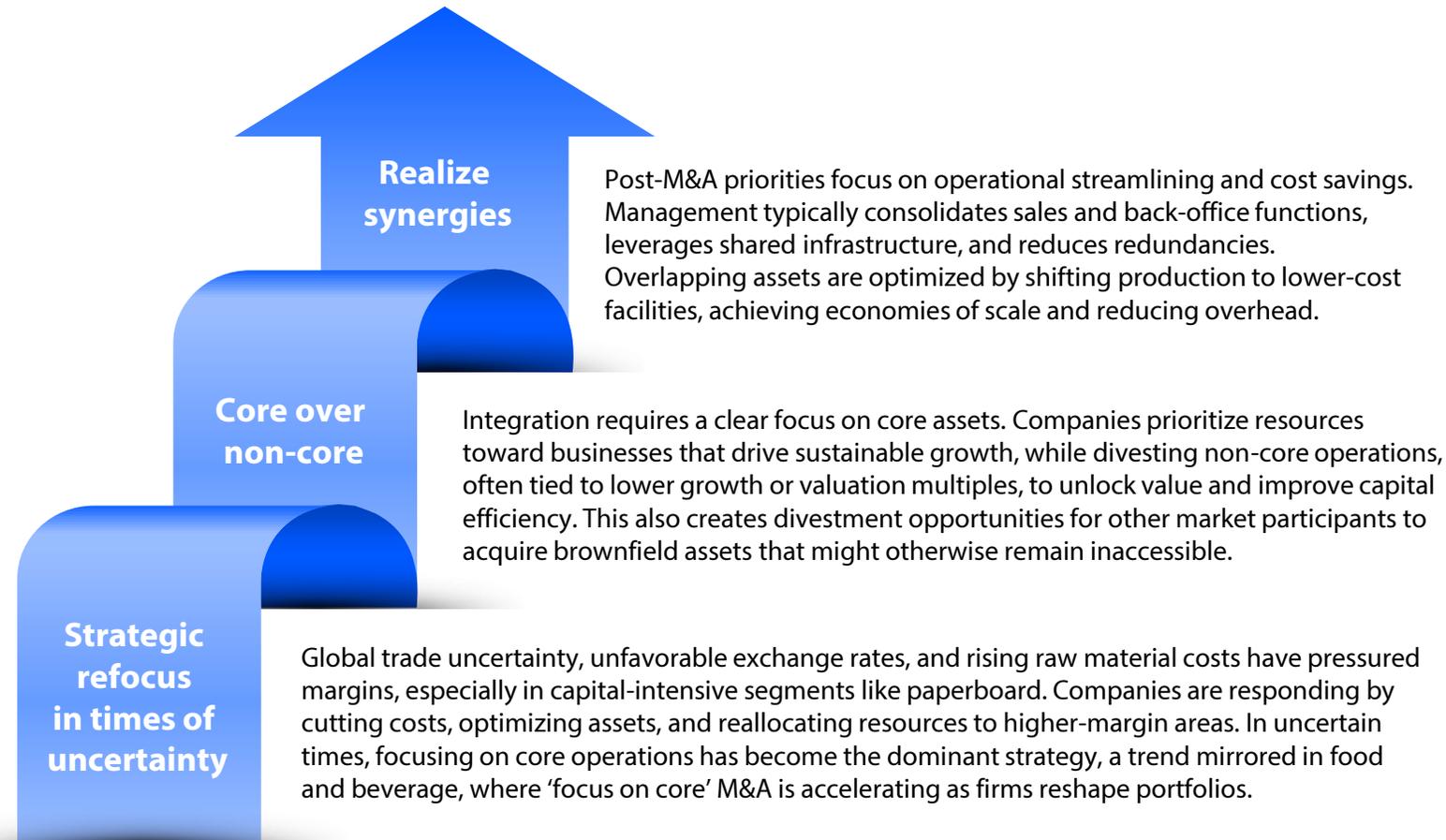


A large, thick, dark blue curved line starts from the top center, curves down and to the right, then curves back down and to the left, ending at the bottom center. It acts as a decorative element on the right side of the slide.

### 3. *The next frontier for value creation*

# Return to fundamentals

## Core over non-core



### Case study: International Paper

IP reinforced its 80/20 strategy post-merger, focusing on core containerboard operations in North America and EMEA, while reducing complexity and prioritizing key customers. Alongside footprint restructuring through site closures and operational realignment, IP streamlined its portfolio via targeted divestments to drive sustainable growth, such as

- June 2025: Exited molded fiber market; sold Mexican assets (containerboard mill + two recycling plants) to APSA.
- August 2025: Sold Global Cellulose Fibers business to American Industrial Partners.
- Oct 2025: Divested bag converting operations to ProAmpac.

As recently as January 2026, IP announced plans to spin off its European operations into two separate public companies, allowing each to focus while positioning the European platform for potential future consolidation.

### Case study: Stora Enso

In November 2025, Stora Enso announced plans to separate its Swedish forest assets into a new publicly listed company through a partial cross-border demerger, expected to complete in early 2027. The move aims to strengthen core businesses, maximize operational and shareholder value, and simplify group structure.

# Winning on value: Beyond price and volume

## Especially for small- and medium-sized players

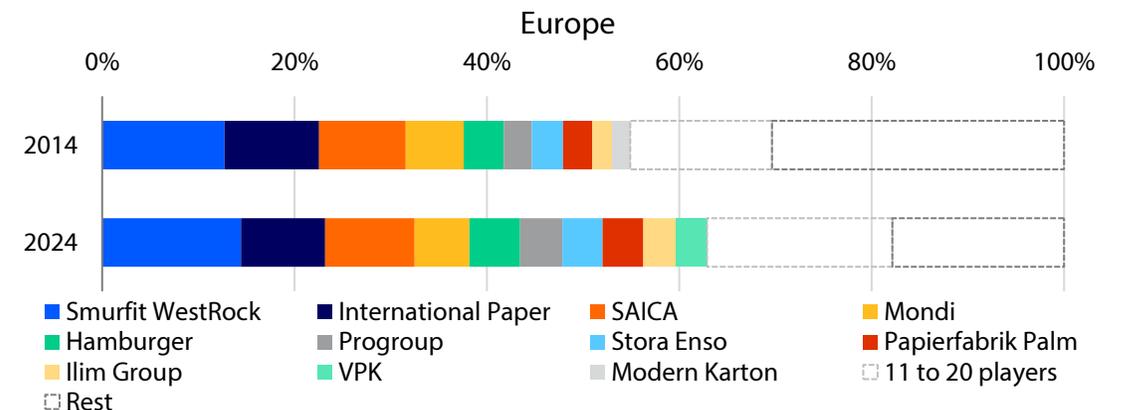
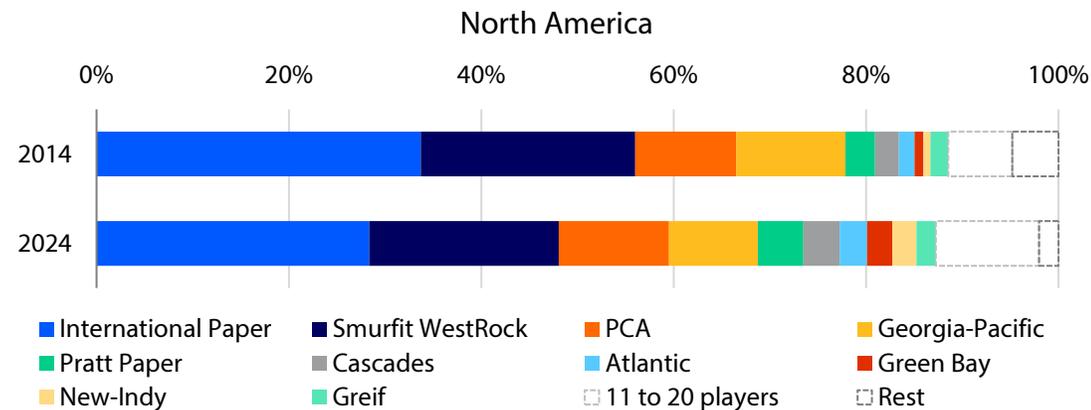
### Differentiation through relationships, not discounts

- As producers become more consolidated and, at the same time, more vertically integrated, the availability of fiber on the open market decreases, especially for virgin fiber. This trend particularly impacts North American independent paper packaging producers, converters and traders, who face increasingly limited fiber supplies to operate with.
- Small and medium producers should prioritize building long-term relationships over temporary pricing advantage to secure customers and supply, especially as the market becomes more volatile.

### Compete on value instead of volume

- As consolidated companies gain economies of scale, smaller and medium-sized companies will find it increasingly difficult to compete with larger competitors for scale, efficiency, national coverage, pricing, production cost, etc.
- Therefore, it is increasingly crucial for them to identify niche segments that, while potentially involving more complex processing, offer higher added value products. The focus of competition is shifting from volume to value, making customer service a key differentiator.

### North America's containerboard sector is already extremely consolidated, and consolidation in Europe is accelerating



Source: Fastmarkets, RaboResearch 2026

# Bigger isn't always better

## Strategic M&A options for medium-sized producers to compete in a post mega-merger world

### Specialize by region

- Market access: Acquiring regionally strong players gives immediate access to local customers, regulatory familiarity and distribution networks.
- Cost efficiency: Localized production reduces logistics costs and mitigates supply chain risks, especially in volatile global trade environments.
- Regional growth: Latin America is expected to remain a strong growth market for the food and beverage sector.

Veritiv

ProAmpac



Orora

TC Transcontinental

### Differentiate by substrate

- Expands capability and provides instant access to technology, IP and skilled talent.
- Unlocks premium margins in high-value sectors, such as pharmaceuticals and fast-growing specialty food markets.
- Aligns with regulatory trends through solutions that enable recyclability, compostability, and PCR (post-consumer recycled) inclusion.
- Future-proofs the business with strategic presence in high-growth substrates.

Silgan

Sonoco



Weener Plastics

Eviosys

### Grow through alliances

- Leverages JVs and strategic partnerships to secure supply, access licensed IP, and co-develop innovative and sustainable packaging materials/designs.
- Reduces risk and capex by enabling test markets and emerging technologies to be explored without full ownership.
- Strengthens customer alignment on sustainability, supporting shared goals in circularity, recyclability, and low-carbon solutions.

Amcor

Nestle

Huhtamaki

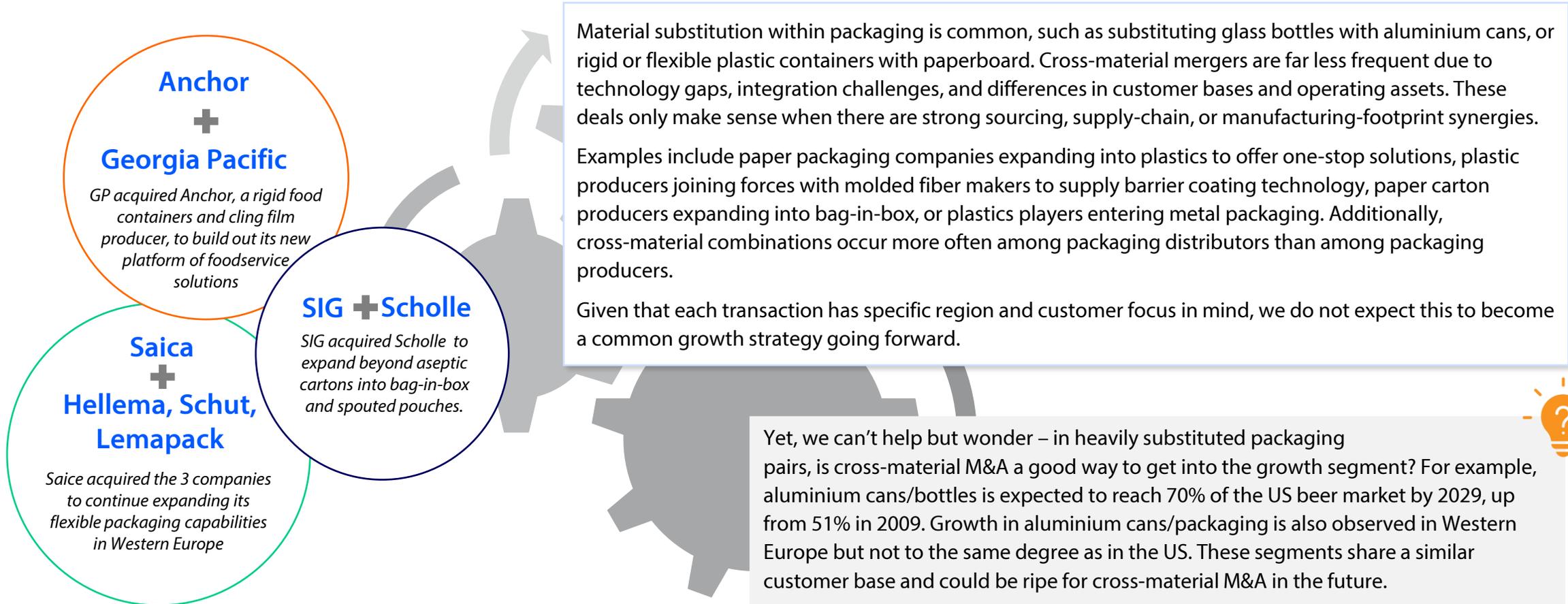


European Aluminum  
Foil Association

Starbucks

Source: Reuters, company announcements, The Target Report, RaboResearch 2026

# Cross-material M&A remains niche



# Is there room for more mega-mergers?

M&A activity in packaging in 2025 has been the **strongest in plastic packaging**, which continues to command the **highest multiples** among packaging substrates, despite some variation in calculation across data providers. Strong growth prospects make the segment especially attractive for strategic combinations, and its **low consolidation** relative to paper or containerboard leaves ample room for large-scale transactions and roll-ups, especially in beverage and consumer packaging.

The overlap in capabilities shown in the table on the right underscores this opportunity: The middle market of flexible film converters is populated by **players with similar capabilities**, technologies, and end-market exposure. This fragmentation creates clear pathways for **synergy capture**, footprint optimization, and accelerated integration, which are key ingredients for value-creating M&A.

While North America and Europe may still see a few mega-mergers, geopolitical uncertainty and regulatory scrutiny, especially around antitrust, are likely to **limit the scale and frequency** of the largest deals. In contrast, plastics and flexible films offer a more pragmatic and immediately actionable consolidation path.

Additionally, **Latin American** markets are maturing, and regional producers are gaining scale. As they look abroad for growth, they are increasingly focused on deepening vertical integration and securing outlets for future fiber capacity. While past international moves have had mixed success, Latin American producers are expected to continue pursuing **cross-border opportunities**, acquiring individual plants or regional assets when conditions align.

Source: Deloitte Packaging Quarterly Update Q3 2025, RaboResearch 2026

Package type	LTM ending Q3 2025	
	EV/Revenue	EV/EBITDA
Plastic	2.0x	11.2x
Diversified packaging	1.5x	9.0x
Metal & glass	1.4x	8.4x
Paper & board	1.2	7.4x
Diversified print	0.9x	6.9x

## Shared capabilities in middle market drive synergy

Capability	ProAmpac	C-P Flex.	Bryce Corp.	TC Transcontinental	Winpak
Flexible films (PE/PP/PET)	<input checked="" type="checkbox"/>				
Pouches (stand-up, premade, etc.)	<input checked="" type="checkbox"/>				
High barrier	<input checked="" type="checkbox"/>				
Printing tech. (flexo/hd)	<input checked="" type="checkbox"/>				
Sustainability	<input checked="" type="checkbox"/>				

# Business sustainability can be key to growth

## Turning sustainability into a competitive advantage remains critical

Translating sustainability initiatives into growth and profit is one of the key challenges for the coming years. Sustainability is not just about assets, products, collaboration, or compliance, it's about creating real value, delivering economic returns, and driving growth, especially in today's challenging market. **Investments must generate positive returns to be viable.**

While many sustainable solutions have yet to demonstrate full competitive advantage, strategic decisions, such as mergers and acquisitions, already hinge on sustainability.



Companies are carefully assessing assets and portfolios, with criteria like energy efficiency and decarbonization, to ensure future readiness and cost optimization.



In many cases, existing more sustainable solutions also reduce costs, reinforcing their role as both a compliance necessity and a source of advantage.



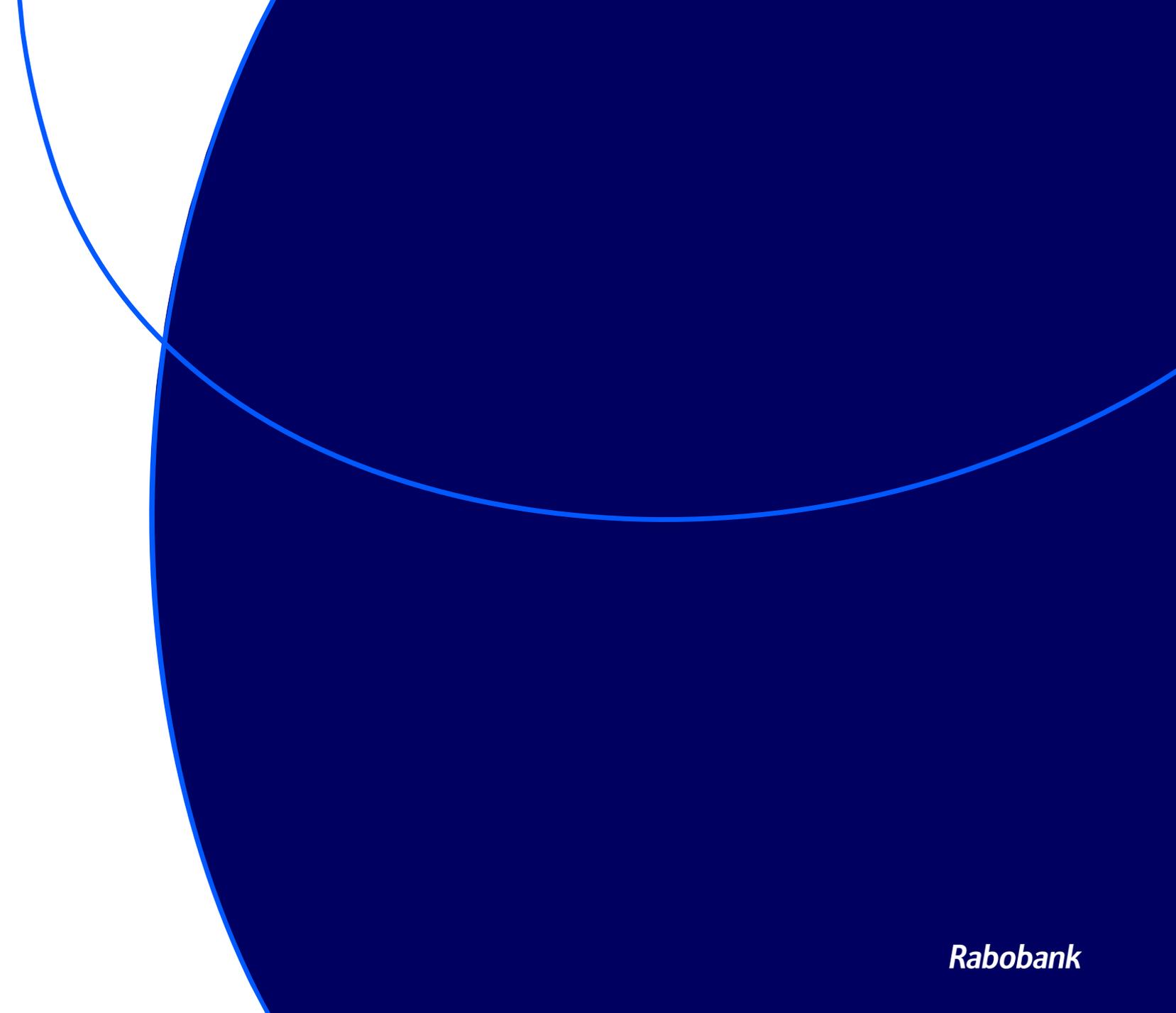
Companies often use M&A to quickly catch up in sustainable packaging innovation. Europe has emerged as a key region with strict sustainability regulations and a rapidly changing energy landscape. Non-European players are leveraging this momentum to enter Europe and gain access to leading sustainable innovations.

## Case study

### Leveraging sustainability for growth in folding carton

Sustainability can create distinct value and deliver customer cost savings. Examples include lightweight packaging or solutions for high-value markets, where packaging costs represent only a small fraction of total product cost.

In the US market, **Coated Recycled Board (CRB)** has experienced growth, driven by cost advantages and sustainability factors. The shift from virgin to recycled materials reflects a broader trend toward sustainable innovation that supports long-term demand. When evaluating M&A opportunities, companies in the folding carton space are closely analysing this shift and its implications for future demand, both for CRB and its competition with other grades.

A large, decorative blue curved line that starts from the top center, curves downwards and to the right, and then curves back towards the bottom center, creating a large, open shape on the right side of the slide.

## 4. *Next steps*

# Charting the industry's path forward

The packaging industry is entering a pivotal new cycle marked by macro pressure, regulatory escalation, and valuation resets, all while competing against global players larger than the sector has ever seen. As demand begins to recover, these dynamics are creating a rare strategic opening for capability-driven M&A: A moment where acquiring innovation, substrate expertise, regional strength, and sustainability capabilities matters more than adding raw volume. Companies that move decisively now, sharpening their core portfolios, pursuing disciplined and targeted acquisitions, and turning sustainability into a true economic and competitive advantage, will shape leadership as the industry consolidates and aligns around the next decade of value creation.

## How to position your company: The three archetypes

### The acquirer

Strong cash position, clear M&A strategy, focused on consolidation

#### M&A opportunities

- Bolt-on acquisitions in core substrates
- Expansion into adjacent, complementary substrates
- Targeted capability and IP acquisitions
- Opportunities from distressed divestments

### The optimizer

Solid margins, clear identity, selective growth

#### M&A opportunities

- Small tuck-in acquisitions (<USD 100m EV)
- Vertical integration opportunities
- Specialty and niche market acquisitions
- Joint ventures in adjacent businesses

### The potential seller

Margin pressure, limited scale, consolidation imminent

#### M&A opportunities

- Proactive engagement with potential acquirers
- Carve-outs of underperforming or non-core units
- Recapitalization through minority PE investment
- Merger-of-equals to drive scale and synergy

*Thank you for your attention*



# Disclaimer

This publication is issued by Coöperatieve Rabobank U.A., registered in Amsterdam, The Netherlands, and/or any one or more of its affiliates and related bodies corporate (jointly and individually: “**Rabobank**”). Coöperatieve Rabobank U.A. is authorised and regulated by De Nederlandsche Bank and the Netherlands Authority for the Financial Markets. Rabobank London Branch is authorised by the Prudential Regulation Authority (“**PRA**”) and subject to regulation by the Financial Conduct Authority and limited regulation by the PRA. Details about the extent of our regulation by the PRA are available from us on request. Registered in England and Wales No. BR002630. An overview of all locations from where Rabobank issues research publications and the (other) relevant local regulators can be found here: <https://www.rabobank.com/knowledge/raboresearch-locations>

The information and opinions contained in this document are indicative and for discussion purposes only. No rights may be derived from any transactions described and/or commercial ideas contained in this document. This document is for information purposes only and is not, and should not be construed as, an offer, invitation or recommendation. This document shall not form the basis of, or cannot be relied upon in connection with, any contract or commitment by Rabobank to enter into any agreement or transaction. The contents of this publication are general in nature and do not take into account your personal objectives, financial situation or needs. The information in this document is not intended, and should not be understood, as an advice (including, without limitation, an advice within the meaning of article 1:1 and article 4:23 of the Dutch Financial Supervision Act). You should consider the appropriateness of the information and statements having regard to your specific circumstances and obtain financial, legal and/or tax advice as appropriate. This document is based on public information. The information and opinions contained in this document have been compiled or arrived at from sources believed to be reliable, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness.

The information and statements herein are made in good faith and are only valid as at the date of publication of this document or marketing communication. Any opinions, forecasts or estimates herein constitute a judgement of Rabobank as at the date of this document, and there can be no assurance that future results or events will be consistent with any such opinions, forecasts or estimates. All opinions expressed in this document are subject to change without notice. To the extent permitted by law Rabobank does not accept any liability whatsoever for any loss or damage howsoever arising from any use of this document or its contents or otherwise arising in connection therewith.

This document may not be reproduced, distributed or published, in whole or in part, for any purpose, except with the prior written consent of Rabobank. The distribution of this document may be restricted by law in certain jurisdictions and recipients of this document should inform themselves about, and observe any such restrictions.

A summary of the methodologies used by Rabobank can be found on our [website](#).

Coöperatieve Rabobank U.A., Croeselaan 18, 3521 CB Utrecht, The Netherlands. All rights reserved.