

Packaging

QUARTERLY SECTOR BRIEF | Q4 2025

What's Included:

- 01** Insights: Observations and market updates from the packaging sector
- 02** Sector Activity: Overview of recent transactions and public company performance in the packaging sectors
- 03** Connect With Us: Harris Williams overview and team in the packaging sector

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PACKAGING
Q4 2025

Insights

Observations and market updates from the packaging sector



Key Trends in Packaging

The packaging sector continues to be driven by increased focus on sustainability and innovation of technologies and materials



Automation and Robotics

Robotics and automation are streamlining packaging lines, boosting efficiency and consistency while reducing labor costs and mitigating workforce shortages in production processes



Innovation and Sustainability

Sustainable packaging innovation is a strategic growth driver, enabling companies to meet ESG mandates and capture growing consumer demand for environmentally responsible products, thereby enhancing brand equity and market share



Cold Chain Logistics

Advanced packaging is the critical infrastructure at the nexus of powerful secular trends, enabling the safe delivery of temperature-sensitive goods across high growth markets – from safeguarding GLP-1 drugs and supporting the expansion of direct-to-consumer channels to extending shelf life in the food and beverage sector



Health & Safety Focus

Health and safety have become paramount, with packaging innovations like antimicrobial coatings and tamper-evident seals addressing consumers' heightened hygiene concerns



Digital Printing Advancements

Advances in digital printing enable faster packaging production and greater design flexibility, allowing cost-effective short runs and quick customization to respond swiftly to market needs



Circular Economy Initiatives

The packaging sector is at the forefront of the circular economy, designing for end-of-life impact by pioneering reusable formats, increasing recycled content, and commercializing biodegradable materials to reduce waste

The packaging sector is rapidly evolving—driven by automation, customization, resilient supply chains, health and safety, digital printing, and sustainability initiatives

Perspectives on Packaging

Plastics



Driven by performance-led innovation, plastics packaging is indispensable for its unique barrier properties in food preservation, lightweight efficiency in e-commerce, and tamper-evident features that ensure consumer safety and product integrity



Paper



Paper packaging leverages renewable sourcing and high recyclability to meet consumer demand - its structural integrity is indispensable for the rapidly expanding e-commerce logistics market, providing robust and efficient shipping solutions



Healthcare



The rise of GLP-1 medications and other advanced pharmaceuticals is fueling a boost for specialized packaging – this trend is driving demand for delivery systems like auto-injectors and patches, as well as advanced cold-chain solutions for biologic drugs



Protective



Sustained e-commerce growth is fueling strong demand for void fill and other protective packaging formats, and the need to optimize shipping and reduce damages is driving rapid expansion in segments like air pillows and cushion



Equipment



The adoption of "Packaging 4.0," particularly AI / ML for predictive maintenance, is creating significant value by streamlining workflows, boosting throughput, and delivering cost savings



Services



A key component of modern commerce, packaging services optimize supply chains and accelerate speed-to-market through integrated solutions like co-packing, fulfillment, and digital tracking



Labels



The demand for smart labels (RFID / NFC) to enhance end-to-end supply chain visibility, coupled with persistent branding needs, is leading to positive outlook within the labels market



What We're Reading

The packaging sector is undergoing significant shifts as we near the end of 2025, driven by several key trends

Collaborative Robots Enhancing Packaging Flexibility and Safety
– *Packaging World*

[READ HERE](#)

“The strategic value of collaborative robots... enables manufacturers to optimize their operations incrementally, implementing automation where it provides the greatest benefit while retaining human involvement in tasks that require judgment, creativity, or complex problem-solving capabilities.”

Key takeaway: Rather than simply replacing human workers, collaborative robots (“cobots”) are creating a new paradigm of hybrid automation in packaging. Their strategic value lies in safely bridging the gap between fully manual processes and rigid, high-cost automation, enabling manufacturers to enhance flexibility, improve ergonomics, and deploy automation incrementally where it delivers the most immediate benefit.

Customization in the Age of Hyper-Personalization
– *Label & Narrow Web*

[READ HERE](#)

“Digital printing of packaging enables smaller brands to produce high-quality, customized packs without the prohibitive costs of traditional methods... This agility allows them to compete with larger players on creativity and engagement, even if their budgets are smaller.”

Key takeaway: Far from being a marketing novelty, digital printing has matured into a strategic capability that is paradoxically leveling the playing field for consumer brands. By removing the prohibitive costs and long setup times of traditional printing, it allows smaller, agile brands to compete directly with larger players on creativity and consumer engagement, enabling rapid design testing and cost-effective short runs.

Smart Packaging Technology Builds Consumer Trust, Brand Loyalty
– *E-Commerce Times*

[READ HERE](#)

“What began as a response to counterfeiting has since become a brand-defining advantage; winemakers, sellers, and collectors can now engage with buyers on tradition, taste, and importantly, on provable authenticity that strengthens loyalty and cements long-term consumer trust.”

Key takeaway: While often viewed as a marketing tool for consumer engagement, smart packaging's most potent value lies in solving fundamental business challenges like fraud and compliance. By embedding verifiable authenticity directly into the product, brands are paradoxically transforming a defensive cost into a primary driver of consumer trust and long-term loyalty.

GLP-1 Drugs and The Pharma Supply Chain
– *Contract Pharma*

[READ HERE](#)

“GLP-1 drugs require stringent temperature control, and the best strategy for avoiding risks that impact temperature excursions is to expect disruption. Multiple layers of risk mitigation and contingency plans are vital to ensure product integrity and efficacy throughout the supply chain.”

Key takeaway: The explosive growth of GLP-1 drugs is creating a paradoxical supply chain challenge: the biggest risk is not a lack of manufacturing capacity, but the failure to protect the integrity of the existing product already in transit. The focus is therefore shifting from purely production to implementing hyper-resilient cold chain logistics, where expecting disruption and building in redundancy have become the primary strategies to ensure these high-value drugs reach patients safely.

02

PACKAGING
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Sector Activity

Overview of recent transactions and public company performance in the packaging sectors



Select Recent Packaging M&A Transactions

December 2025	 
November 2025	 
November 2025	 
November 2025	 
November 2025	 
October 2025	 

ProAmpac Is Acquiring TC Transcontinental Packaging

ProAmpac's pending acquisition of TC Transcontinental Packaging from TC Transcontinental will significantly expand ProAmpac's global footprint and broaden its end-market focus to include the protein, dairy, and medical segments. The combination is intended to accelerate the development of next-generation sustainable packaging, including barrier films and fiber-based solutions.

Clayton, Dubilier & Rice Is Acquiring Sealed Air

Through the pending acquisition of Sealed Air, CD&R is looking to accelerate investment in the company's core food and protective packaging businesses. Post-acquisition, Sealed Air will operate as a private entity, leveraging CD&R's capital and operational focus to drive long-term growth outside the pressures of the public market.

Duravant Is Acquiring Matthews Automation Solutions

Duravant's pending acquisition of Matthews Automation Solutions will add advanced warehouse execution and control system (WES/WCS) software to its portfolio, enabling more comprehensive material flow and order fulfillment solutions. The transaction is expected to close before the end of Q1 2026, after which the new technologies will be integrated into Duravant's broader automation offerings.

Precision Concepts Acquires Comar Packaging

Precision Concepts acquired Comar Packaging to create a scaled rigid packaging platform serving consumer and healthcare clients across North America and Europe. The combined company now operates 20 manufacturing facilities, leveraging its expanded footprint to better serve a diverse customer base.

Arsenal Capital Partners Acquires Sonoco's ThermoSafe Unit

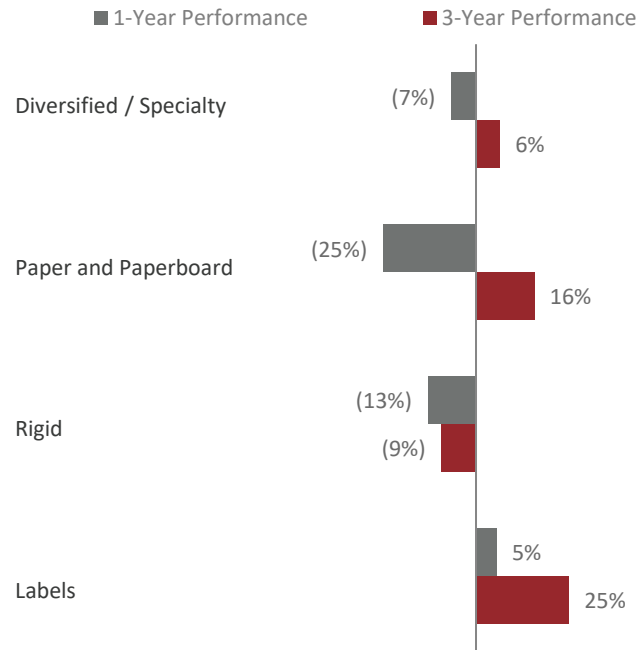
Arsenal Capital Partners acquired Sonoco's ThermoSafe unit, establishing it as a standalone company focused on temperature-assured packaging. The strategic partnership provides ThermoSafe with capital to accelerate technology development and growth in the critical cold-chain logistics sector.

Georgia-Pacific Acquires Anchor Packaging

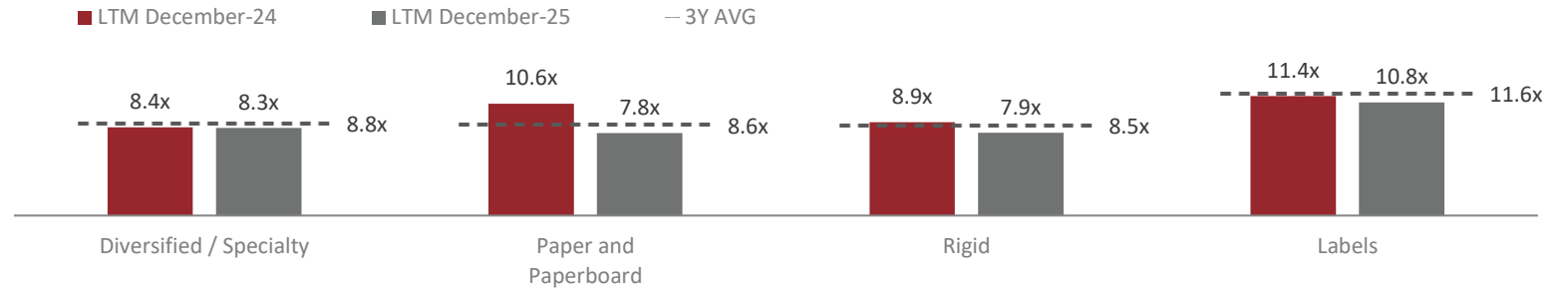
Georgia-Pacific acquired Anchor Packaging to expand its portfolio of innovative food packaging solutions, a move that aligns with its goal of becoming a preferred partner in the food service sector. Following the close, Anchor's team and four manufacturing facilities were integrated into Georgia-Pacific's Consumer Products Group to leverage their expertise and production capacity.

Public Packaging Companies – Valuation

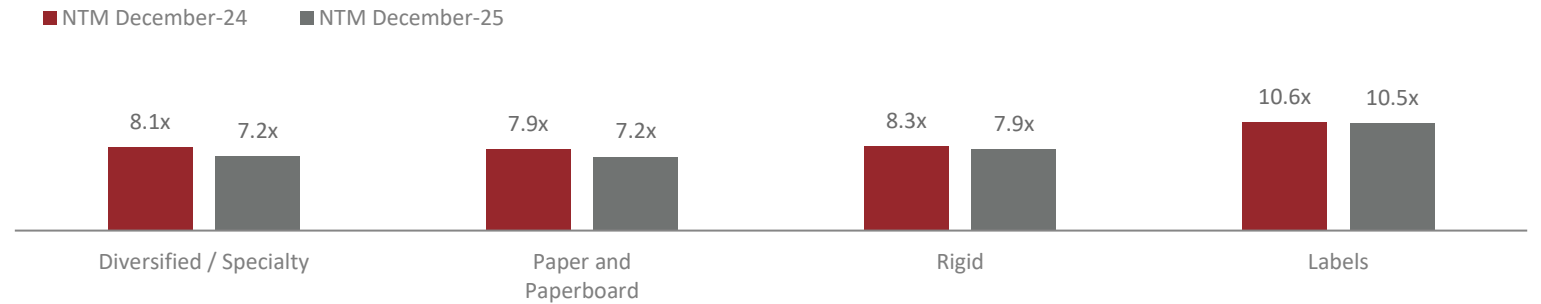
Total Shareholder Return (1- & 3-Year)¹



LTM EBITDA Multiple Comparison: December 2024 vs. December 2025



NTM EBITDA Multiple Comparison: December 2024 vs. December 2025



Diversified / Specialty

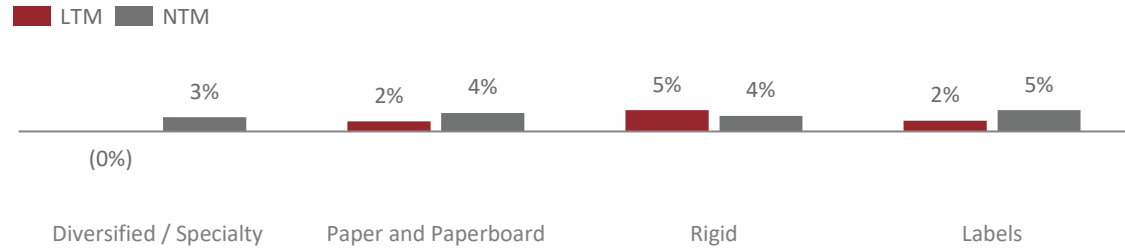
Paper and Paperboard

Rigid

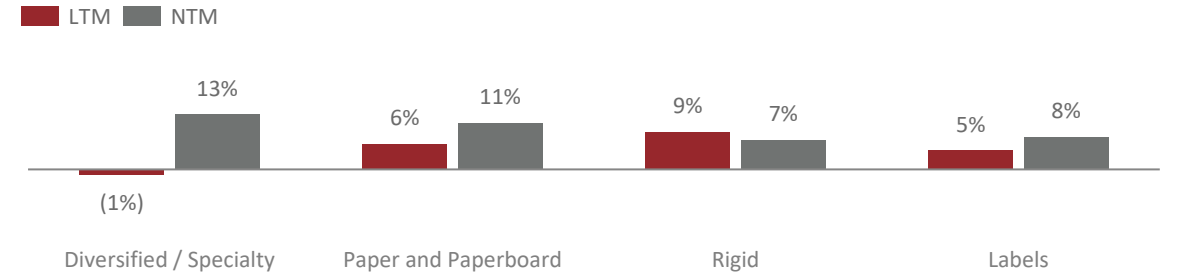
Labels

Public Packaging Companies – Operating Metrics (Q3 '25)

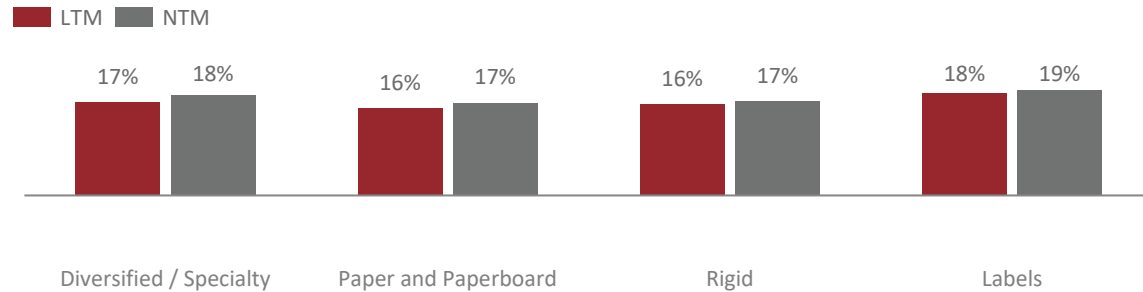
Revenue Growth



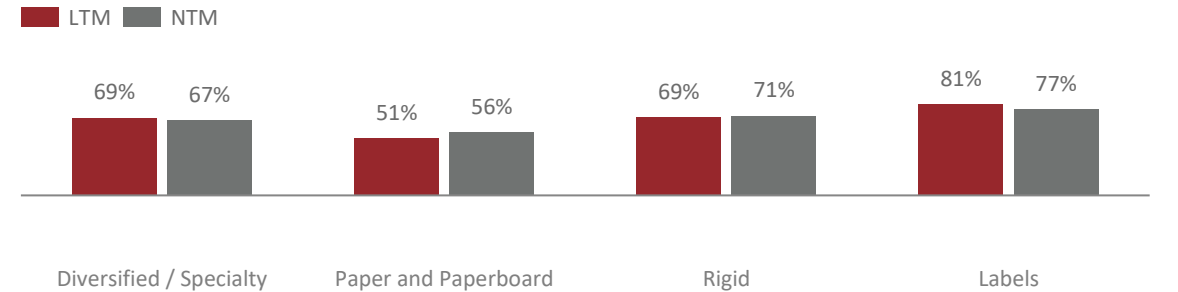
EBITDA Growth



EBITDA Margin



FCF Conversion¹



Diversified / Specialty

Paper and Paperboard

Rigid

Labels

Public Packaging Companies – Q3 '25 Earnings and Commentary

Revenue



EBITDA



EPS



Rebounding Demand

“Also happy to share that we have both, in the quarter as well as year-to-date, seen strong volume growth in two of our segments, namely Fiber and North America.”



“In our North American business, stronger-than-expected volume growth across nonalcoholic categories, particularly energy drinks, give us confidence that we will exceed the top end of our long-term 1% to 3% volume growth range in 2025.”



“Our metal containers business delivered strong volume growth of 4% as expected, with a 10% increase in product for pet food market and a partial recovery in the fruit and vegetable markets...”



Cost Management & Productivity

“In fiscal '25, we achieved \$50 million in run rate savings from our cost optimization program, more than double our stated full year '25 commitments.”



“Fit to win contributed another \$75 million in the third quarter and \$220 million year-to-date. We now expect to surpass our original 2025 savings target, and this program is strengthening our competitiveness, enhancing performance and enabling durable profit improvement.”



“Margins increased in both operating segments, and we are addressing identified Amcor assets to enhance focus on our core business... This includes the addition of the Berry business and was supported by disciplined cost out performance, improved productivity and synergy delivery towards the upper end of [the] expected range.”



Sustainability and Eco-Friendly Innovation

“We designed Waco to have the capability to process up to 15 million paper cups a day. And as cup collection ramps up, Graphic Packaging will play a key role in ensuring this high-value fiber source is put to good use rather than ending up as landfill.”



“A couple of our mills are in very good shape right now with electricity independence. But within 2.5 years, we'll take three more of our mills and essentially get them off the grid, and we'll be in good shape.”



“We committed to an ambitious transformation plan to reinforce our leadership in sustainable packaging solutions through an advantaged cost position and high rel supply position... in our most strategically attractive markets, and delivering an unmatched customer experience.”

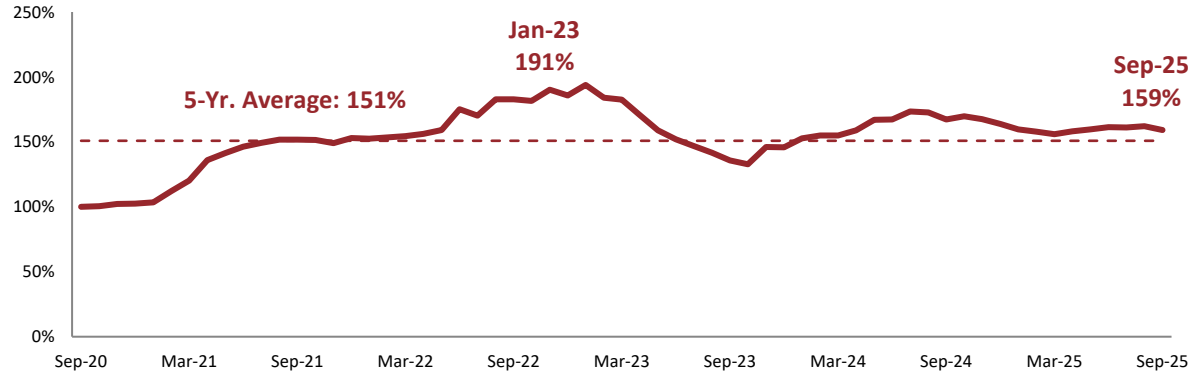


Key Material Price Trends

Pulp, Paper, and Allied Products

(Indexed, Jul-20=100%)

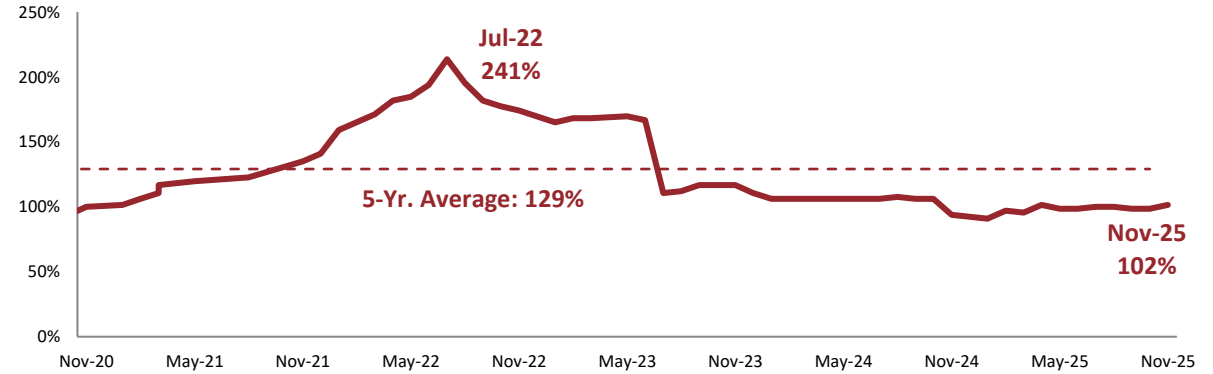
	30 Days	1 Year	3 Year	5 Year
% Change	(2%)	(5%)	(13%)	59%



Polyethylene Terephthalate (PET)

(Indexed, Jul-20=100%)

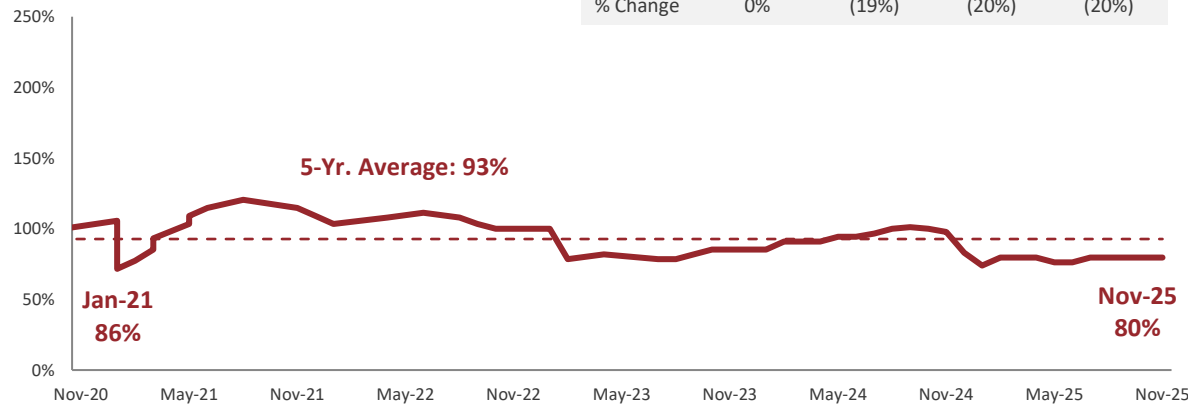
	30 Days	1 Year	3 Year	5 Year
% Change	3%	8%	(42%)	2%



Low-Density Polyethylene (LDPE)

(Indexed, Jul-20=100%)

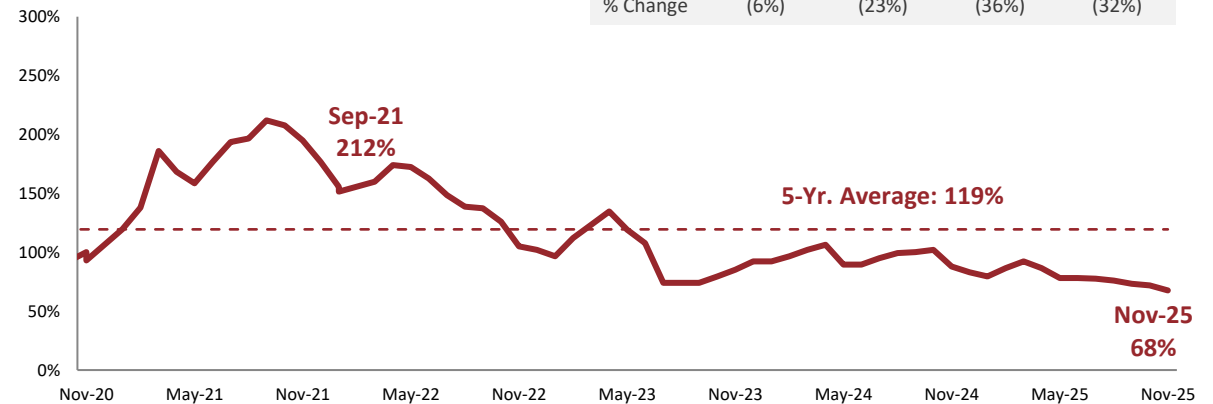
	30 Days	1 Year	3 Year	5 Year
% Change	0%	(19%)	(20%)	(20%)



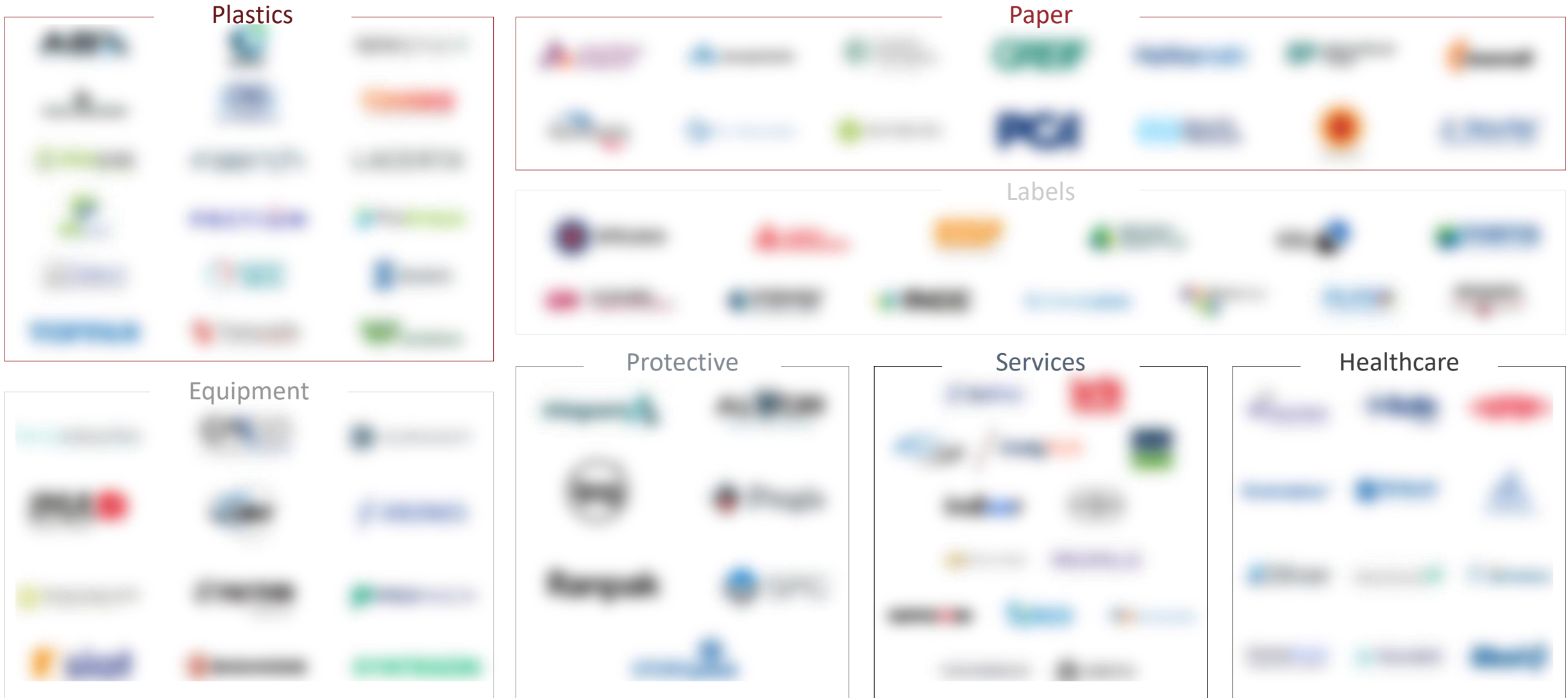
Polypropylene (PP)

(Indexed, Jul-20=100%)

	30 Days	1 Year	3 Year	5 Year
% Change	(6%)	(23%)	(36%)	(32%)



Packaging Landscape – Select Participants



To view the full market map, please contact PackagingInsights@harriswilliams.com

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Q3 2025

Connect With Us

Harris Williams overview and team in the packaging sector



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Learn more about our deep expertise unlocking value for great businesses in the packaging sector:



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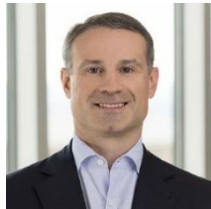
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Plastics

- › Flexible
- › Rigid
- › Thermoformers

Paper

- › Consumable
- › Specialty
- › Corrugated

Healthcare

- › Cold Chain
- › Medical Devices
- › Medical Plastics

Protective

- › Consumer
- › Industrial
- › Product Securing

Equipment

- › Pure Equipment
- › Razor / Razorblade

Services

- › Co-Manufacturing
- › Distribution
- › Software

Labels

- › Active Packaging
- › Labels
- › RFID

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