

Packaging

QUARTERLY SECTOR BRIEF | Q1 2026

What's Included:

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- 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

Connect With Us

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01

PACKAGING
Q1 2026

Insights

Observations and market updates from the packaging sector



Key Trends in Packaging



AI Automation & Robotics

AI and robotics are transitioning from experimental novelties into essential operational mandates, allowing packaging manufacturers to combat labor shortages through predictive maintenance and high-velocity automation that optimizes throughput and production resilience



Product Innovation

Product innovation such as material science breakthroughs eliminating multi-layer laminates, coatings that maintain grease resistance while avoiding forever chemicals such as PFAS, and space-saving designs are driving efficiency gains and growth



Sustainability Initiatives

Continued focus on sustainability as companies navigate tightening ESG mandates and capture surging consumer demand for circularity, converting regulatory pressure into brand equity and increased market share



Shifting Consumer Preferences

Shifting consumer lifestyles are fueling growth in select packaging segments (such as food staples, pet care, and foodservice), for example, the rapid adoption of premium, single-serve stand-up pouches and resealable formats that cater to the rise of smaller households



Smart Packaging & Digital Traceability

Connected packaging, such as smart traceability tools and digital product passports, are integrating physical products with cloud-based data, ensuring regulatory compliance and fostering consumer trust through transparency



Increasing Impact of GLP-1s

The rise of GLP-1 weight-loss drugs is a catalyst for the packaging sector, creating growth opportunities across multiple areas including pharmaceutical logistics and consumer food packaging

The packaging sector is undergoing a strategic shift – driven by AI-powered automation, continued innovation, sustainability initiatives, shifting consumer lifestyles, digital traceability, and the expanding impact of GLP-1 therapeutics

Perspectives on Packaging

Plastics



Companies are driving margin expansion through high-performance barrier technologies, successfully navigating resin price volatility while capturing high-value demand in the healthcare and specialized food segments



Paper



The transition toward fiber-based alternatives is accelerating as sustainability regulations take effect (e.g., EPR, EU's PPWR, CA's SB 54)



Healthcare



The surge in next-generation therapeutics is creating a runway for specialized delivery systems; global leaders are expanding capacity for high-margin prefilled syringes and intelligent cold-chain infrastructure



Protective



Ongoing e-commerce growth is accelerating the shift to biodegradable, fiber-based void fill; the integration of sensor-enabled lines and cloud-based analytics is optimizing shipping efficiency and environmental transparency



Equipment



The baseline adoption of intelligent ecosystems has unlocked operational efficiency; manufacturers are successfully leveraging AI for predictive maintenance and advanced vision systems to eliminate downtime and drive reliability



Services



Modernized distribution networks are providing integrated value-added solutions like digital tracking and co-packing; streamlined supply chains are capturing ROI through warehouse automation and localized speed-to-market



Labels



Demand for intelligent labels is increasing as RFID and NFC technologies unlock inventory visibility; manufacturers are utilizing generative AI to compress innovation cycles and deliver highly personalized, data-centric solutions



What We're Reading

The packaging sector is undergoing significant shifts as we enter 2026, driven by several key trends

AI, Automation, and Sustainability Lead Packaging and Processing Trends

– Packaging World

[READ HERE](#)

“AI, automation, and flexible machinery are moving from experimentation to everyday tools that improve efficiency, reduce downtime, and support long-term growth... automation is not a temporary advantage, but infrastructure that supports long-term operational performance.”

Key takeaway: The narrative surrounding packaging automation has shifted from novelty to a fundamental requirement for resilient infrastructure. Rather than being viewed as a pilot technology, AI is becoming an invisible, everyday tool that enables manufacturers to achieve higher throughput while mitigating the persistent challenges of labor scarcity and supply chain volatility.

The Shift Toward Intelligence-Based Labeling in 2026

– Label & Narrow Web

[READ HERE](#)

“One of the most significant shifts isn't happening on the shelf. It's taking place on the product label. The standard one-dimensional (1D) barcode is being replaced by data-rich 2D barcodes... The 2D barcode is becoming a functional tool for managing data and compliance in an increasingly complex market.”

Key takeaway: Labels are evolving from static identifiers into strategic data assets. Driven by the GS1 Sunrise 2027 mandate, the transition to 2D barcodes and “Digital Link” technology allows brands to paradoxically bypass physical packaging space constraints delivering infinite transparency regarding sourcing, recycling, and nutritional insights through a single, data-rich scannable point.

Smart Packaging Implementation Lags While Sustainability Remains a Top Business Priority

– Business Wire

[READ HERE](#)

“Smart packaging remains a future goal: Eighty-four percent of respondents plan to move to smart packaging, but only 1% have already made the shift... implementation lags while sustainability remains a top business priority.”

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.

The AI Tipping Point: The Shift from Adoption to Advantage

– OEM Magazine

[READ HERE](#)

“Five AI advances – knowledge transfer, predictive maintenance, vision systems, compliance automation, and data transparency – are transforming equipment from isolated assets into intelligent ecosystems.”

Key takeaway: AI is becoming a standard feature in packaging machinery to automate critical functions like prescriptive maintenance and vision-based quality control with over 99% accuracy. This development helps manage labor shifts by integrating technical expertise directly into equipment, benefiting manufacturers that prioritize transparent, end-to-end data integration.

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

<p>February 2026</p>  
<p>February 2026</p>  
<p>January 2026</p>  
<p>January 2026</p>  
<p>January 2026</p>    
<p>January 2026</p>  

Inovar Packaging Group Acquires Kiliper Corporation

Inovar Packaging Group, a portfolio company of Kelso & Company, acquired Iowa-based Kiliper Corporation to strengthen its Midwest presence and expand its flexible packaging portfolio. Kiliper specializes in wide-web flexo printing for stretch sleeves, roll-fed labels, and printed film solutions. The transaction integrates Kiliper’s specialized manufacturing capabilities into Inovar’s national footprint.

Platinum Equity Invests in Norton Packaging

Platinum Equity expanded its rigid packaging portfolio through a strategic investment in Norton Packaging, a century-old manufacturer of pails and shipping barrels for the paint, chemical, and food sectors. The Norton family retained a significant stake to partner with Platinum's operational team to accelerate innovation and scale the platform's technical capabilities.

PPC Flex Acquires SÜDPACK’s U.S. Operations

PPC Flex acquired the U.S. manufacturing assets of SÜDPACK, including its Oak Creek, Wisconsin, facility. The deal is strategically centered on expanding PPC Flex's presence in the domestic meat and cheese industries. This acquisition enhances PPC’s technical production capabilities in high-velocity flexographic printing and conversion.

Butterfly Equity Acquires ePac Flexible Packaging

Butterfly Equity acquired ePac from a consortium including Amcor to bolster ePac’s position as a leader in digitally printed flexible packaging. Butterfly aims to leverage ePac’s specialized digital technology to provide high-velocity, sustainable packaging solutions to emerging and established consumer-packaged goods (CPG) brands globally.

ProMach Acquires Portfolio of Component Manufacturers

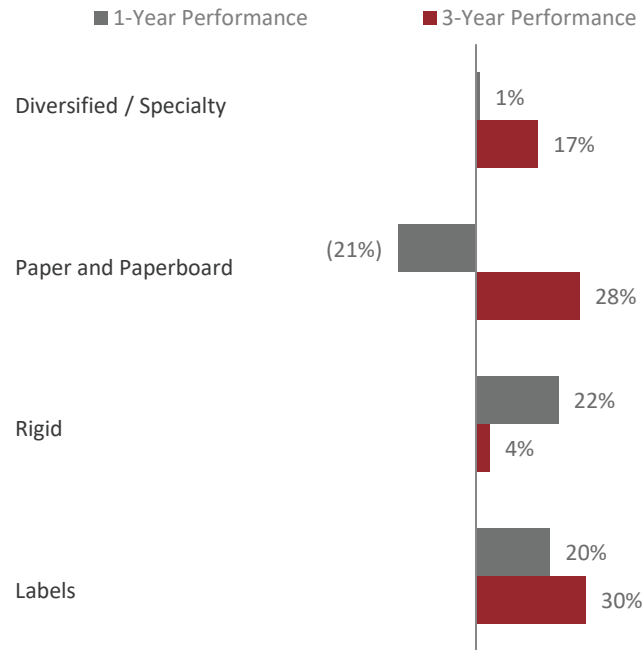
ProMach expanded its automated packaging solutions by acquiring three leaders in precision-engineered components for the beverage and aluminum can industries. The integration of American Holt, DMA Solutions, and Pride Engineering enhances ProMach's vertical integration and technical support for high-speed production lines in the food and protein segments.

SupplyOne Acquires Wertheimer Box

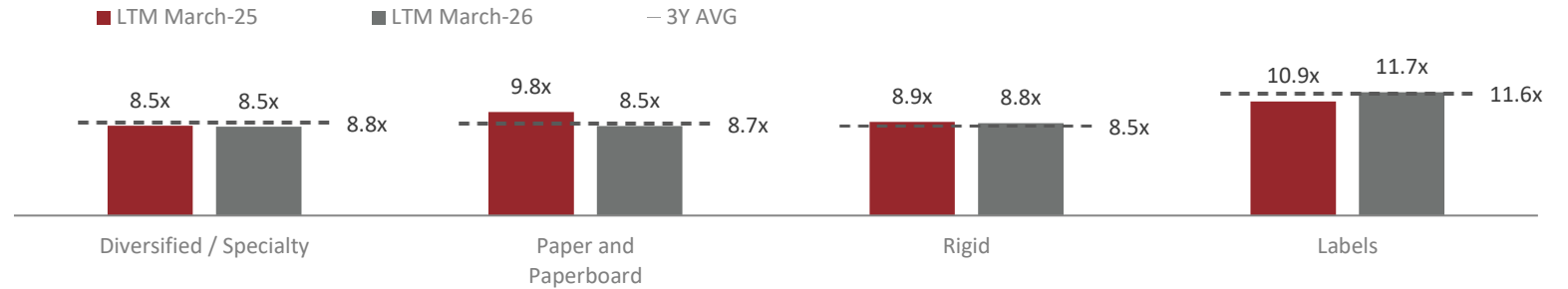
SupplyOne expanded its Midwest footprint through the acquisition of Chicago-based Wertheimer Box, a specialist in custom corrugated packaging. The combination pairs Wertheimer’s design expertise with SupplyOne's national distribution scale to offer regional clients a broader range of digital corrugated and sustainable supply options with faster lead times.

Public Packaging Companies – Valuation

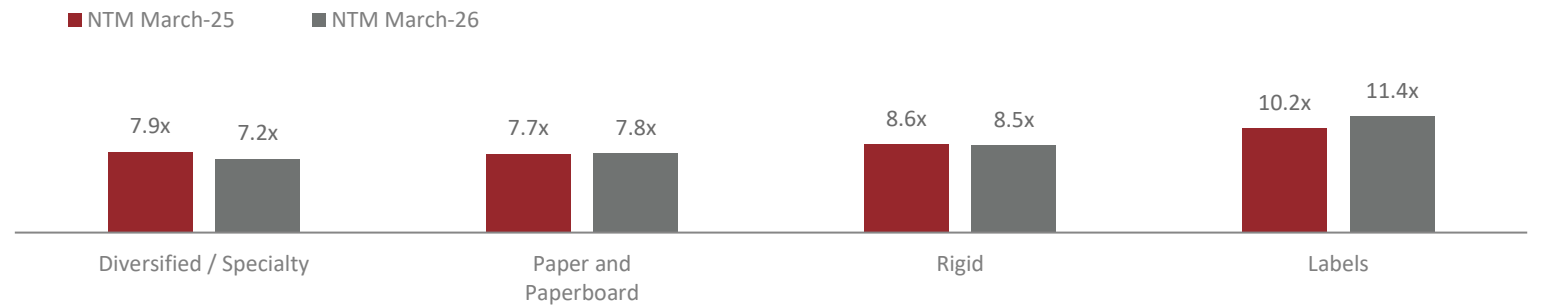
Total Shareholder Return (1- & 3-Year)¹



LTM EBITDA Multiple Comparison: March 2025 vs. March 2026



NTM EBITDA Multiple Comparison: March 2025 vs. March 2026



Diversified / Specialty

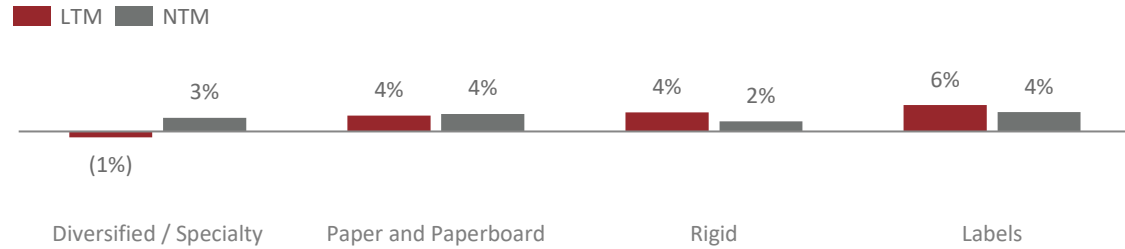
Paper and Paperboard

Rigid

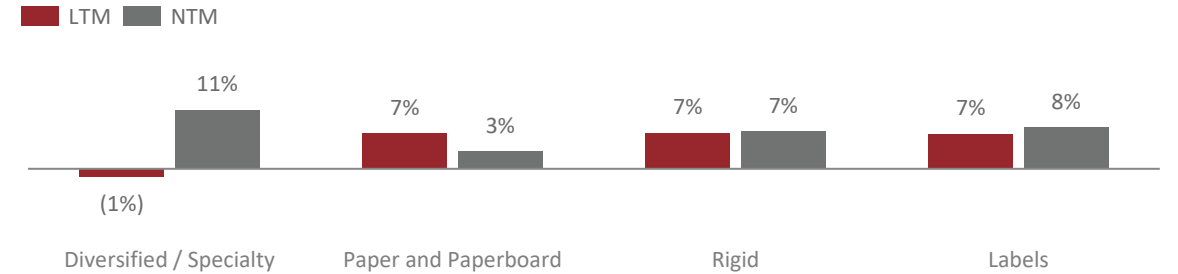
Labels

Public Packaging Companies – Operating Metrics (Q4 '25)

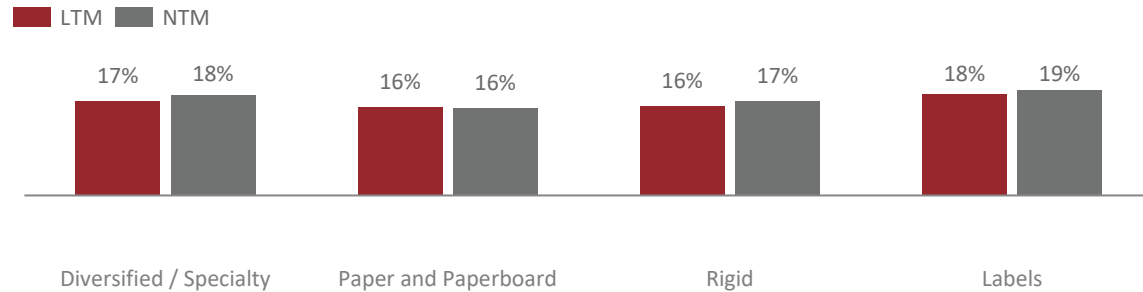
Revenue Growth



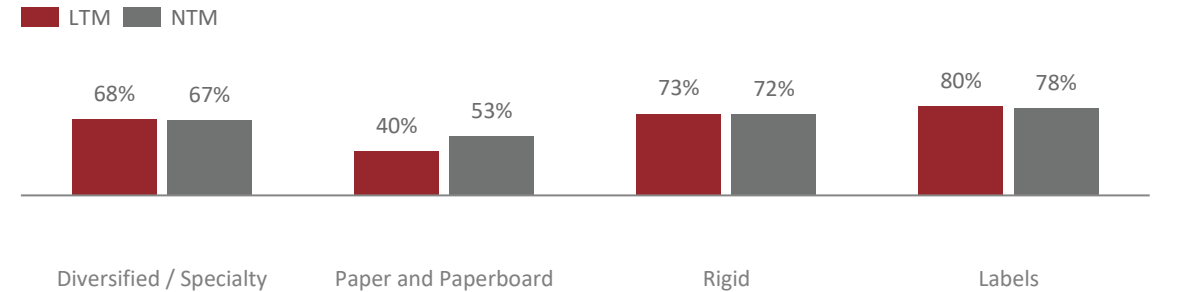
EBITDA Growth



EBITDA Margin



FCF Conversion¹



Diversified / Specialty

Paper and Paperboard

Rigid

Labels

Public Packaging Companies – Q4 '25 Earnings and Commentary

Revenue



EBITDA



EPS



Strengthening Demand

“I can tell you, there is a much more positive vibe across our entire customer base right now... All the noise that took place in 2025... the air is cleared on that... People can see demand improving and count on it a little bit better than they did in the past.”



“With a healthier macroeconomic backdrop, one would certainly expect these [box] markets to return to trend growth rates of around 2% per annum.”



“We saw a firming up of order books in the latter part of December. We felt that the first part of the fourth quarter was weak, and then that sort of improved as we went through the quarter. And we were seeing decent order books across most of the businesses in which we operate.”



Growth in Healthcare and Pharmaceutical Sectors

“The healthcare category itself is a gem, I think, in our portfolio... Our strengthened supply chain and multi-format capabilities have enabled us to support a major global pharmaceutical customer as they launch a solid oral dose GLP-1 therapy drug.”



“Healthcare and pharma is probably the next logical step of the conversation... the margin profile, the growth rates of that part of our portfolio really are similar, if not even stronger than what we've seen in our Fragrance and Beauty business... it would be disappointing if we didn't double the size of our healthcare business [in], call it, the next 3 to 5 years.”



“Injectables core sales increased 24% with strong demand primarily for elastomeric components used for GLP-1, antithrombotics and small molecules... Core sales for our Pharma segment, excluding emergency medicine, grew 10% in the fourth quarter compared to the same period in 2024.”



Sustainability and Eco-Friendly Innovation

“Innovation is one of [our] greatest competitive advantages... Innovation has been a part of why we have been able to retain volume in the markets we serve. Innovations like PaceSetter Rainier, produce pack, and paper seal are driving adoption in growing categories... delivering the more circular, more functional and more convenient packaging solutions that Graphic Packaging is known for.”



“New innovations such as the expansion of our CleanFlake portfolio to more packaging substrates to advance circularity and the introduction of smart materials to accelerate Intelligent Label adoption throughout the channel.”



“Customers [are] asking us to get into IonKraft, which is just a brand-new technology that is more highly recyclable, very favorable environmentally. We just had UN approval on the first container with this step.”

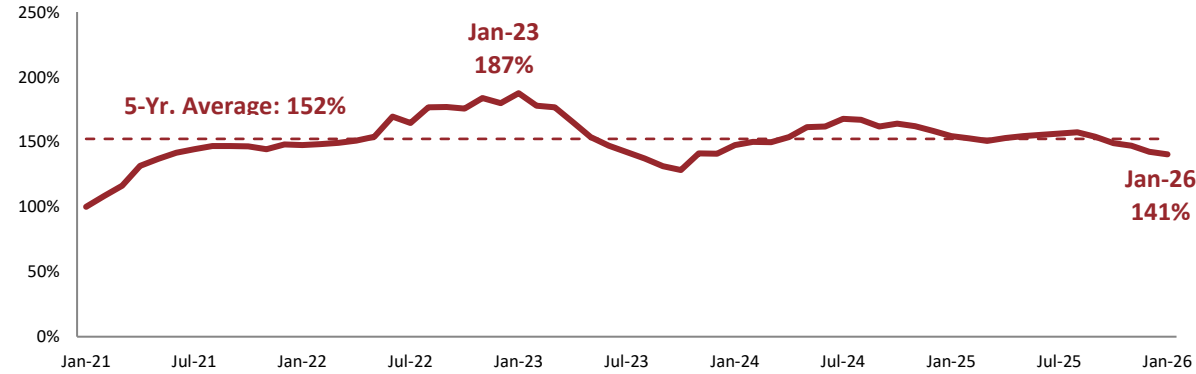


Key Material Price Trends

Pulp, Paper, and Allied Products

(Indexed, Jan-21=100%)

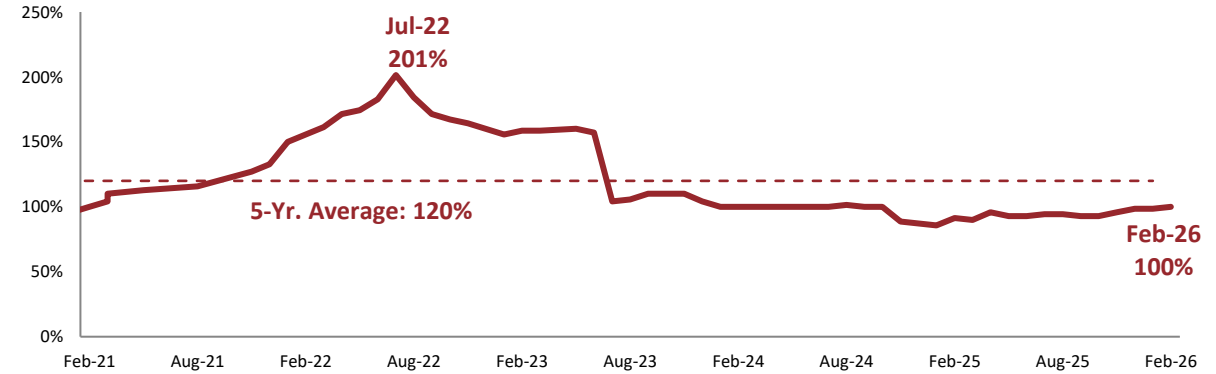
	30 Days	1 Year	3 Year	5 Year
% Change	(1%)	(9%)	(25%)	41%



Polyethylene Terephthalate (PET)

(Indexed, Feb-21=100%)

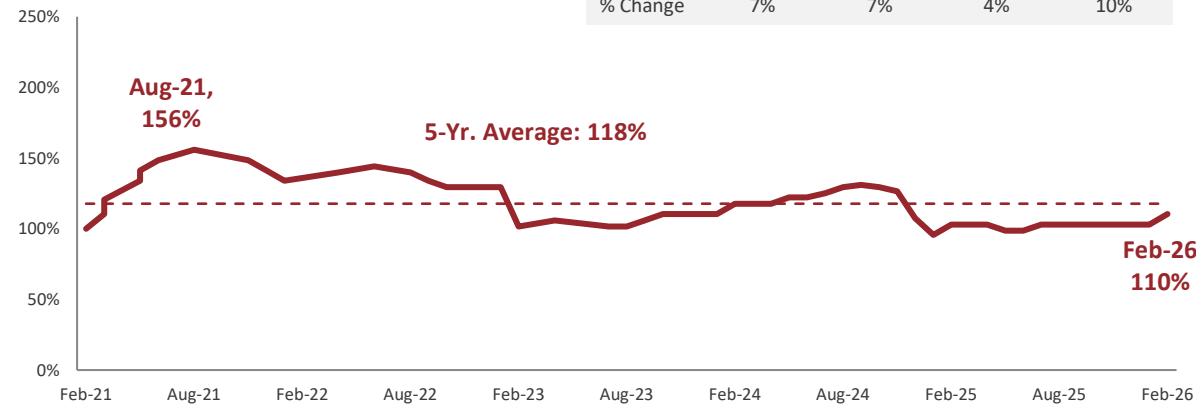
	30 Days	1 Year	3 Year	5 Year
% Change	1%	9%	(37%)	0%



Low-Density Polyethylene (LDPE)

(Indexed, Feb-21=100%)

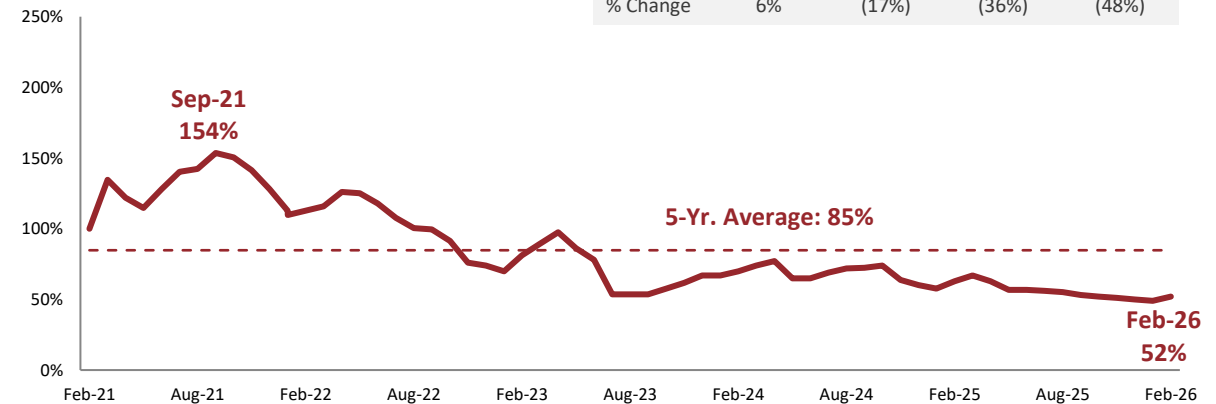
	30 Days	1 Year	3 Year	5 Year
% Change	7%	7%	4%	10%



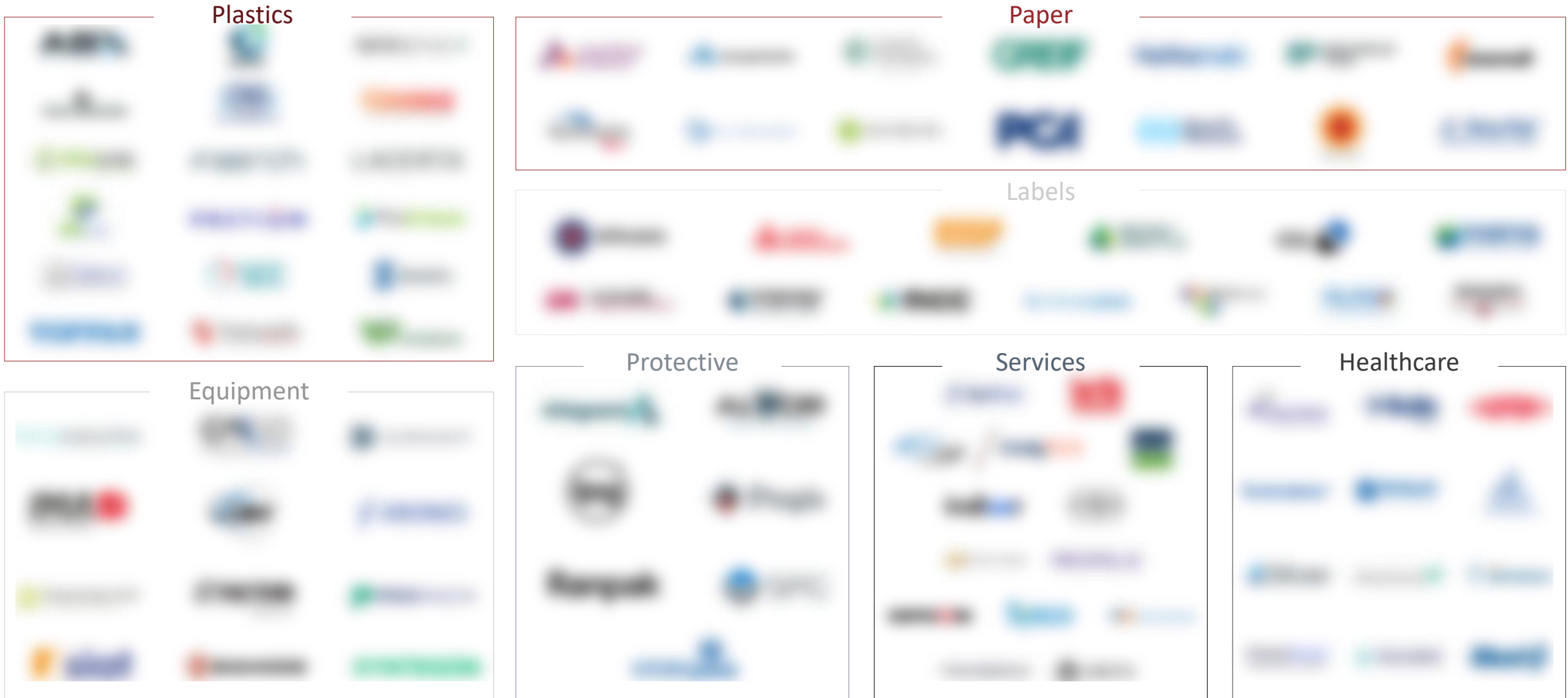
Polypropylene (PP)

(Indexed, Feb-21=100%)

	30 Days	1 Year	3 Year	5 Year
% Change	6%	(17%)	(36%)	(48%)



Packaging Landscape – Select Participants



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

03

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Q1 2026

Connect With Us

Harris Williams overview and team in the packaging sector



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Connect With Our Team

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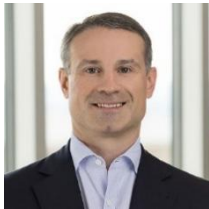
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Plastics

- › 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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