

Laddawn's sale to Berry Plastics marks high-profile acquisition in the plastics and packaging space, with consolidation accelerating on a global scale

Deal Highlights

- IMAP partner Capstone Headwaters (CSHW) advised Laddawn, Inc. (Laddawn) on its sale to Berry Global.
- Laddawn manufactures plastic bags and films for packaging applications, including poly bags, re-closable bags, tubing and sleeves, film and sheeting, mailers and accessories, as well as custom products. It offers its products online, with a proven, unique-to-industry e-Commerce web and mobile sales platform.
- Berry is a leading global supplier of a broad range of innovative non-woven, flexible and rigid products used every day within consumer and industrial end markets. Berry, a Fortune 500 company, generated \$7.1 billion of sales in fiscal 2017.
- "In Berry Global, we found a partner who could take our e-Commerce advantage and our people, further than we could go alone. Those opportunities were important to us," stated Ladd Lavallee, President of Laddawn.



Market Outlook

- This transaction represents another high-profile acquisition in the plastics and packaging space, with consolidation accelerating on a global scale.
- The sale also highlights a major trend in the packaging industry; large players recognizing the market demand for short-run, custom packaging serving consumer end-users.
- This represents a strong business development opportunity for IMAP to leverage the deal in the flexible packaging market, with a high-profile buyer and strong valuation story.

Valuation Summary

- Laddawn has a proven track record in delivering strong organic growth; generating over \$145 million of net sales for the twelve months ended July 31, 2018. It has 380 employees, with 5 manufacturing sites spread across the United States.
- While EBITDA multiples range from 5-9x for this market, CSHW achieved a significant premium in this transaction.



IMAP Approach

- CSHW achieved every one of the shareholders’ transactional objectives, including maximizing enterprise value.
- By leveraging its deep knowledge of the plastics and packaging sector, along with its expertise in e-Commerce, CSHW was able to appropriately position Laddawn as a technology-enabled, custom packaging provider, in an extremely competitive process that included both private equity and strategic bidders.
- This transaction represents a very successful outcome for a company that is uniquely positioned in the industry to take advantage of consumer and e-Commerce trends.
- Laddawn represents the 10th successful transaction for CSHW in the packaging space, and the 4th e-Commerce-related transaction over the past 3 years.

Client Comment

Ladd Lavalley, Co-President, Laddawn:

“We expected the people of Capstone Headwaters to be smart and hardworking, but we discovered they were also genuinely good and caring. We'd use Capstone again and again because of their character, as much as for the very good results they achieved.”

IMAP Transaction Advisors



David Bench
Partner, IMAP USA
david.bench@imap.com



John Ferrara
Partner, IMAP USA
john.ferrara@imap.com

IMAP has closed 38 transactions in the Materials & Chemicals sector since 2015

MATERIALS & CHEMICALS

TRINSEO

Acquired Business Operations

API

IMAP

ADVISED ON PURCHASE OF COMPANY

MATERIALS & CHEMICALS

Investimenti

Acquired Majority Control of Business Activities

Carton Pack
GLOBAL PACKAGING EXPERTISE

IMAP

ADVISED ON SALE OF COMPANY

MATERIALS & CHEMICALS

WAGNER
HOLDING

Acquired Minority Stake

KTP
Packaging Solutions

IMAP

ADVISED ON PURCHASE OF COMPANY

MATERIALS & CHEMICALS

BUNZL

Acquired 100%

SILWELL

IMAP

ADVISED ON SALE OF COMPANY

IMAP is an International Mergers and Acquisitions Partnership with more than 350 M&A advisors and a presence in 39 countries. IMAP has closed over 2,100 transactions valued at \$90 billion in the last 10 years and is consistently ranked among the world’s top ten M&A advisors for mid-market transactions (Thomson Reuters). IMAP advises primarily mid-sized companies and their shareholders on sales and acquisitions on a global scale, providing clients with entrepreneurial, unbiased advice and successfully helping them achieve their objectives.