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Flexible Packaging: New technology trends in the food industry

Combining more than 40 years of M&A advisory experience, FOCUS Investment Banking drives results for middle market clients across eleven coverage groups. With over 50 professionals, FOCUS boasts a nationwide footprint and access to foreign markets through 36 global partnerships.

Sustainable materials and emerging technologies are among the key trends driving growth in the flexible packaging segment of the market.

INTRODUCTION

- Flexible packaging typically includes films, pouches, bags, wraps, laminates, flexible films (mono- or multi-layer), foil laminates, which are utilized across the food industry (fresh produce, frozen, ready meals, convenience foods, etc.), but also multiple industries such as pharmaceuticals, personal care, and non-food.
- The functional requirement of flexible packaging is to provide barriers (to the likes of oxygen, moisture, light), durability & protection, sealing, printability, and more recently the trend in the production of flexible materials has moved to sustainability (recyclability, compostability, reduce waste, etc.).
- Production of flexible materials include plastics, aluminum foils, paper, along with newer biobased / compostable materials (such as fibre-based compost materials).

INDUSTRY VALUE CHAIN



Vertically integrated market players combine extrusion as well as conversion activities to drive value add services to Brand Owners / Packaging Companies.

GLOBAL DRIVERS OF INNOVATION

Several key drivers are pushing innovation across the flexible packaging segment.

Regulatory Pressures

Reducing carbon footprint / "circular economy" goals.

Technological Advancements

Advances in material science, coatings, printing & equipment.

Growing Consumer Demands

Sustainable packaging solutions along with a desire for convenience.

Rising Raw Material Costs

Biobased materials are typically more expensive; having scale matters.

Demanding Brand Owners

Want customization capability, coupled with simplified packaging lines.

FLEXIBLE PACKAGING TRENDS

Set out below are the key trends / technologies emerging within the flexibles packaging segment of the market, especially within the food end market, with particular emphasis on sustainable materials and shelf-life technologies.

				
Mono-Materials (for recyclability)	Compostable / Biobased Films	Shelf-Life Extension	Convenience / Consumer Features	Smart Packaging
Sector is making a conscious effort to move away from multi-layer laminates that are difficult to recycle. Focus has shifted to single layer polyolefin films (e.g. mono-PE, mono-PP), which allow for easier simpler recycling. Innovations are also being made in the areas of adhesives & coatings to support greater recycling levels.	Films such as Polylactic Acid ("PLA") bioplastic are a type of plastic derived from renewable resources like corn or sugarcane, making it an alternative to traditional petroleum-based plastics. Compostable films with laser micro-perforation extends shelf-life of fresh produce by up to 2 times.	Flexible packaging producers are investing in the latest technologies to expand the shelf-life of foods – chilled, ambient & perishables. The latest technologies to extend shelf-life include: i) laser micro-perforation (for food produce to control respiration), ii) active packaging (anti-microbials, oxygen scavengers), iii) modified atmosphere packaging, and iv) smart packaging (sensors, freshness indicators).	Global brand manufacturers are constantly seeking to meet and exceed consumer demands. To keep pace with the latest consumer trends, packaging producers are constantly having to adapt to bring the latest packaging formats to the market to reduce material use while maintaining functionality and optimizing for eCommerce. Recent packaging format developments include: resealable pouches, portion control sizes, easy open / tear, etc.	Advance packaging technologies are being developed for all types of products, but with a particular focus on preservation of food. Such packaging innovations include: sensors / indicators for food freshness, RFID, gas sensors; packaging that can respond to the climate of food contained within a container (release of preservatives, etc. - battery-free, stretchable packaging that can sense spoilage and release active compounds).
				
✓ Better recyclability ✓ Lower environmental footprint	✓ Supports consumer & regulatory demands for sustainability ✓ Reduces plastic waste	✓ Reduces food waste ✓ Better preservation ✓ Enables longer supply chains	✓ Diverse materials allow for designs and consumer branding that drive differentiation and shelf appeal	✓ Consumer demand for freshness & quality ✓ Transformative, but costly to develop ✓ Enhance supply chains (e.g. shelf & storage conditions)

COMPETITIVE LANDSCAPE

	Global Players	Regional Consolidators
Key Features - Partner for high volume products for global / multinational companies for all markets - Cost advantages due to economies of scale - Strong R&D capabilities, with ability to invest in sustainability products - Complete value chain coverage - Low flexibility for small batches / customization	 - Partner for high volume products for global / multinational companies for all markets - Cost advantages due to economies of scale - Strong R&D capabilities, with ability to invest in sustainability products - Complete value chain coverage - Low flexibility for small batches / customization	 - Preferred by multinationals with a single market focus - Flexible production and shorter-run batches - Some R&D investment, with strong production capabilities - Covers the value chain, but a narrower market focus - Some customization capabilities
End Markets	4-7	2.4
Product Focus	Commodity focus, with some value add	Typically a commoditised offering, with some specialty focus and value add

RECENT M&A TRANSACTION ACTIVITY

- While the flexible packaging segment has continued to experience ongoing consolidation in recent years, with regional consolidators acquiring local market players, large-scale 'mega-deals' have also been a feature of recent M&A trends.
- Most notably, Toppan and Amcor executed large-scale packaging transactions at the end of 2024, which featured a flexible angle / component to these acquisition targets. In addition, Clayton Dubilier & Rice's acquisition of Sealed Air highlights financial sponsors' increasing recognition of the strong tailwinds within the flexible packaging sector.

Date	Target	Target Description	Buyer	EV (\$)	EV / Rev (x)	EV / EBITDA (x)
Nov 2025		Sealed Air is a global leader in protective and food packaging, offering advanced flexible, shrink, and cushioning solutions.	CD&R	\$10.3bn	1.9x	10.3x
Dec 2024		Sonoco's TFP is a leading thermoformed and flexible packaging business serving a wide range of customers in food, retail, and medical verticals.	TOPPAN	\$1.8bn	1.4x	8.7x
Nov 2024		Berry is a global manufacturer of plastic and sustainable packaging products, serving diverse markets like consumer goods, health, and engineered materials.		\$8.4bn	1.4x	7.9x
Feb 2024		Produces flexible packaging solutions for end markets such as Coffee & Tea, Pharmaceuticals, Pet food, Confectionery and Dairy.		\$0.35bn	N/A	N/A

PRACTICE TEAM



Robert Adams
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Robert Adams is a leading Corporate Finance Advisor with a wealth of experience in Debt Fundraising and M&A. He is a Fellow of Chartered Accountants Ireland. He has developed a strong reputation for financing and refinancing business and property based portfolios, working across a broad range of Corporate Finance activities. He has significant commercial experience in undertaking M&A, Business Reviews, Due Diligences and Strategic Advisory for Corporate clients. Robert has developed a large client base across a broad range of sectors throughout Ireland.



Rick Thomas
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Rick Thomas, FOCUS's CEO, has 25 years of consulting, management and M&A advisory experience across industries including manufacturing, distribution, and food service. Prior to joining FOCUS, he served as Vice President at VSI, a boutique investment banking firm located in Washington, DC. He led M&A activities for publicly and privately held companies in the middle market, several of which have annual revenues in excess of \$1 billion.



Brian Barrett
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Brian Barrett, a FOCUS Managing Director, has extensive expertise in providing strategic advice to entrepreneurs, business owners and companies to assist them in achieving their strategic ambitions with nearly 20 years of corporate finance experience working with SME's, large corporates and semi state bodies.

Brian specializes in Agribusiness & Food, Advanced Manufacturing, and Packaging industries.



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Sean Haynes is a senior advisor with over 20 years' experience in agricultural finance and operations. He co-founded Nova Asset Management and AgriCFO, advising clients on farm management, agri-investments, and improving financial and operational performance.



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Adam Ryan, a FOCUS executive, supports buy-side and sell-side engagements as well as capital raising. Prior to FOCUS, he worked at DelMorgan & Co., working across the U.S.. His experience includes working with founder-owned businesses in the advanced manufacturing and packaging sectors.



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Kate Elliott is the Director of Research and oversees the production of research, financial modeling and analysis, and writing assignments that are integral to FOCUS's process-driven methodology for executing M&A transaction work.