

SIG to acquire Pactiv Evergreen's carton business in Asia

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SIG announced that it has entered into an agreement to acquire Pactiv Evergreen Inc.'s Asia Pacific Fresh operations ("Evergreen Asia") for an enterprise value of \$335 million. For the twelve months to 31 December 2021, Evergreen Asia is expected to record revenue of around \$160 million and adjusted EBITDA of around \$28 million. On a proforma basis, the acquisition will represent approximately 7% of the Group's revenue. The transaction is expected to close in the second or third quarter of 2022, subject to customary closing conditions, and will be debt-financed. The acquisition will be accretive to cash flow and earnings per share from year one.

Evergreen Asia supplies filling machines, cartons, closures, and after-sales service to its customers in the fresh segment, mainly for milk, and has production facilities in China mainland, South Korea and Taiwan. They are the leading supplier in China mainland which accounts for approximately 50% of its revenue. The remaining revenue is largely derived from South Korea and Taiwan where they are among the leading suppliers. The business is starting to develop in other South East Asian markets, where SIG is already well-positioned in the aseptic segment.

The acquisition will enable SIG to increase its share of wallet with existing customers and to access a new customer base. SIG plans to use its local R&D presence and innovation capabilities as well as its marketing expertise to introduce more innovative packaging formats in the fresh dairy market.

Lidong Fan, President & General Manager Asia Pacific North, said: "In China, milk is increasingly seen as an important source of protein and as good for health, representing an attractive growth opportunity for fresh as well as aseptic milk. The Evergreen Asia business adds fresh milk cartons to our strong liquid dairy portfolio which, until now, has been mainly focused on single serve packs and on-the-go consumption. As fresh milk is mainly consumed at home, this acquisition broadens our range with an increase in family-sized packs."