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Single-Use Packaging

Forecast to 2025, and Covid-19 Impact

By Material (Plastic, Paper & Paperboard, Metal, Glass), By End-Use Segments (Food & Beverage, Personal Care, Healthcare)

January 2021

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Objective & Scope

Objective: To assess the Global Single Use of Packaging market, identify the key growth opportunities, and understand the competitive scenario

Scope coverage

Focus Products

- Plastic
- Paper & Paper- board
- Others (Glass & Metal)

Focus End-use Sectors

- Food & Beverages
- Personal Care
- Medical Devices
- Pharmaceuticals

Focus Geography

- Global
  - North America
  - Europe
  - Asia Pacific
  - (Others) Middle East & Africa

1

Overall Scope of this Engagement

2

Scope of study

- Overview Single use of Packaging market
- Detailed assessment of the key end-use sectors for single use of packaging market – current state & outlook
- Current and forecast market for Single use of packaging market (2020 – 2025)
- Segmentation of the market by end-use sector, materials, geography, etc.
- Key trends analysis to understand the potential impact on the single use of packaging market
- Analysis of the key drivers and challenges impacting the market growth
- Competitive landscape within the global single use of Packaging market
- Profiles of the key manufacturers like Amcor Plc., Tetra Pak, Sealed Air, TC Transcontinental Packaging, Winpak, Ball Corporation, Berry Global, and others

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1.3 Research Methodology

Secondary Research

- Preliminary data was gathered using extensive secondary research and information from proprietary databases
- Insights on the market drivers and challenges, and suppliers, their solutions, key developments and so on were developed

Primary Research

- Insights were developed through primary interviews with industry stakeholders, related to single use of packaging market and key suppliers
- The stakeholders included senior personnel from single use of packaging vendors, distributors, end-user company procurement personnel across different sectors and industry experts
- This data was triangulated with the insights developed though secondary research

Synthesis of findings

- Analyzed data through qualitative research techniques and derived key insights to streamline the study flow
- Data is presented in a module based approach

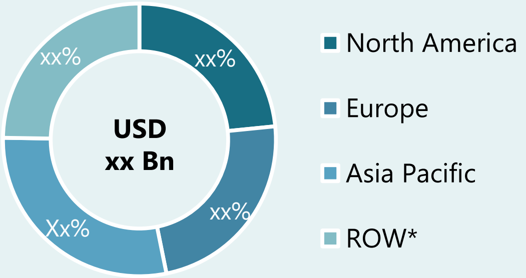
2. Executive Summary

2.1 *Single-Use Packaging and regional Analysis*

Market Analysis

- The global single-use packaging market was valued at USD xx Bn in 2019, and it is projected to reach USD xx Bn by 2025 growing at a CAGR of xx% from 2020 to 2025
- The rising demand for smaller and convenient packages, exceptional packaging presentation, and strong visual impact packaging products especially for plastic packaging contribute to the growth of packaging over the forecast period
- Several leading supermarket and hypermarkets across the world are adopting single-use plastic packaging formats. The growing adoption of single-use packaging by supermarkets, e-commerce and Pharma companies is likely to drive growth of the single-use packaging in the future
- However, the growing number of regulations continue to restrict the growth of single-use packaging in the forecast period
- Global players such as Amcor, TetraPak, Sealed Air, TC Transcontinental Packaging, Winpak, Huhtamaki Group, WestRock Co. and Ball corporation are strategically expanding their market presence through partnerships, acquisitions and continuous innovation
- Several new/improved products and sustainable solutions are being launched meeting the demand for single-use packaging market

Single-Use Packaging 2019 by Region



Key Packaging Players in 2019

3. Global Single-Use Packaging Market

3.1 *Impact of COVID-19*

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Impact of COVID-19 on Key End-Use Sectors

The COVID-19 pandemic had a low-to-moderate impact on the packaging industry, given the classification of the industry as an essential service in most of the countries. The packaging industry was granted exceptions from lockdown restrictions since it formed an important part of the supply chain of critical items such as food, pharmaceuticals, and other consumer goods. The corresponding impact on packaging players varied depending on the end-use markets served

Food & Beverage

- Packaging businesses serving the food and beverage sector have demonstrated resilience during the pandemic environment
- Across the world, demand for groceries witnessed a steep incline, due to tendencies to stockpile – and so businesses that served these channels faced limited disruptions during the lockdown restrictions as well as post lockdown being lifted across the world
- Foodservice sector witnessed a shift from eating outside to ordering in, implying a higher demand for takeaway packaging
- In contrast, alcoholic beverages packaging remains affected as bars and restaurants continue remain closed

Healthcare

- Companies that are into healthcare packaging did not witness any major challenges during the pandemic
- In fact, demand for packaging used in healthcare products like pharmaceuticals as well as dietary supplements like multivitamins and other nutraceutical products is further expected to rise
- Moreover, demand for nonwovens like face masks has seen a tremendous rise across the globe

Personal Care

- The personal care segment has witnessed a fall in demand post the Covid-19 crisis largely due to the fact that the related products do not fall under the essentials category, and are considered luxury items
- Social distancing measures implemented globally have meant that cosmetics in general have been low in demand
- Some producers shifted production to hand sanitizers, so as to balance the fall in sales in other poorly performing segments

3. Global Single-Use Packaging Market

3.1 *Impact of COVID-19*

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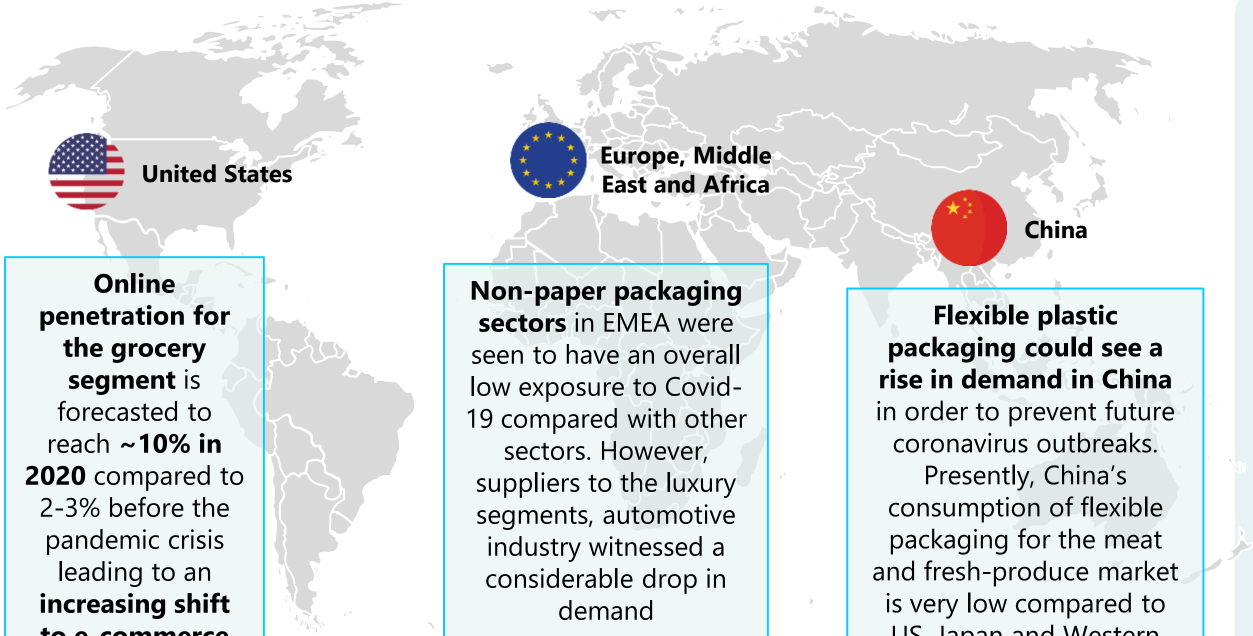
Impact of COVID-19 on Key Regions



Online penetration for the grocery segment is forecasted to reach **~10% in 2020** compared to 2-3% before the pandemic crisis leading to an **increasing shift to e-commerce packaging**

Non-paper packaging sectors in EMEA were seen to have an overall low exposure to Covid-19 compared with other sectors. However, suppliers to the luxury segments, automotive industry witnessed a considerable drop in demand

Flexible plastic packaging could see a rise in demand in China in order to prevent future coronavirus outbreaks. Presently, China's consumption of flexible packaging for the meat and fresh-produce market is very low compared to US, Japan and Western Europe

- **One of the direct impacts of** the COVID-19 outbreak has been the rise in online sales and deliveries following lockdown restrictions being imposed worldwide. Many countries witnessed **share of online spending on food increase 16–70%**
- Packaging providers are therefore scaling production in e-commerce packaging
- Worldwide, demand for packaging materials in areas such as **food packaging and shelf-ready packaging** for the grocery sector also saw a massive escalation
- This was majorly driven by rising consumer demand (thanks to stockpiling) and so as to restock shelves quickly
- Across the globe, the crisis has seen a varied impact on the packaging industry depending on the end-use segments served in each region

3. Global Single-Use Packaging Market
3.3.1 *Key Industry Growth Drivers*

Key Industry Growth Drivers

Consumer Trends

- The global market for online retail was on a rapid growth trajectory even prior to Covid-19 driven by penetrations of internet and smartphones
- Consumers were increasingly buying goods online resulting in higher demand for packaging solutions especially corrugated board packaging that can safely transport goods through complex distribution channels
- In addition, the growth in consumption of food, beverages and pharmaceuticals are likely to cause On-the-go flexible packaging format to grow more swift

Growing Demand for Smaller Size and Single-Serve Formats

- Consumers, especially younger age groups and the growing single population are inclined to buy groceries in smaller quantities and more frequently
- Such trends have caused rise in convenience store retailing and in turn convenient, smaller size packaging
- As consumers continue to demand for simple, ready-to-eat and convenient meal choices such as soups, salads and smoothies using a measured amount, the demand for single-serve packaging formats is likely to grow
- The ability for single-serve packaging to keep food fresh for a longer time period makes it a suitable option to food vendors, and consumers shopping on-the-go
- Canned seafood has been a popular alternative to fresh and frozen meat and seafood especially during shortages of fresh and frozen meat and seafood
- The dessert market is also expected to see more single-serve packaging innovations

Supermarket Shopping

- Supermarkets were already widespread in advanced economies, however, in developing markets of Eastern Europe, Asia and South America, too, domestic supermarkets are spreading rapidly
- Due to the wide product range and diverse choice of brands, consumers are increasingly shopping at supermarkets
- As large retail chains grow worldwide, the market for packaged food has also grown considerably and is expected to grow even further
- As a result, packaging formats such as flexible film are expected to continue to benefit greatly

3. Global Single-Use Packaging Market

3.3.2 *Key Industry Challenges*

Key Industry Challenges

Shortage and Rising Costs of Raw Material	• Raw materials account for about 50% to 60% of the cost of goods sold for plastic and metal packaging • Some of the common raw materials used by packaging suppliers include paper, plastic, resins, films, paperboard, adhesives and so on • In recent times, the industry has witnessed a steep rise in the prices of these raw material • Larger players with broad product portfolios were able to absorb raw material costs
Constant Demand for Innovative Products	• End-use customers especially CPG companies constantly demand differentiated packaging products to make themselves stand out on the retail shelves • So, they tend to rely on their packaging suppliers for innovative packaging products so as to attract more customers • Such scenarios require constant capital intensive technological upgrades. Also, given the highly fragmented nature of the industry, such demands have to be met by packaging players to stay relevant and satisfy their own customers
Workforce Challenges	• Hiring is a challenging task for packaging players since talented individuals who fully understand the industry requirements are rare to come by • The industry suffers from a perception problem as a result of which finding new labor becomes a challenge especially in terms of hiring the young generation • Training of existing staff needs to be undertaken on a regular basis to meet with the changing requirements of the industry

Market & Competition Landscape

3. Global Single-Use Packaging Market
3.4.1 *Value Chain*

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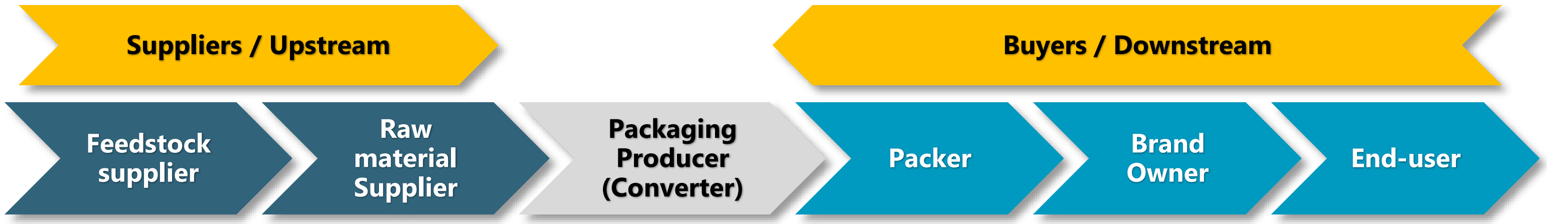
Single-Use Packaging Value Chain



- The Single-Use Packaging value chain consists of three major types of players – the upstream players or the raw material suppliers, the packaging producers (converters) and the downstream players or the buyers/customers
- Generally, packaging converters play the role of the compliant supplier to their larger and more powerful brand-owning customers
- Raw materials contribute to more than half of the total cost base of a packaging producer. Therefore, packaging producers tend to desire stable raw material costs, and pass through as much of the raw material price fluctuations as possible to the customers
- In the case of plastic packaging, in particular, the upstream players include crude oil and natural gas producers as well as the plant-based material producers who supply feedstock to the raw material (polymer) suppliers
- Packaging converters produce different types of packaging formats from raw materials for players in the downstream which include individual packaging companies as well as brand owners with their own production lines

4. Global single-use of Packaging

4.2 Market Ranking of Key Players, 2020

Key Players by Offerings

Plastic Packaging	Paper & Paper Board Packaging	Metal Packaging	Glass Packaging
Key Players	Key Players	Key Players	Key Players

Othe … k,

Withi … **top 3** … **market share** | **~15% market share** | … *alue-added packaging products*

Note: The order of above mentioned companies in each category does not represent market ranking

***Others – Automated guided vehicles, AR&VR, Digital Twin**

3.4.5 *Competition Landscape - Key M&A Activities by Key Companies*

Key Mergers & Acquisitions

Acquisition by Winpak

Acquisition of Control Group for USD 42.2 million

pharmaceutical and medical markets

Acquisition by Amcor

Amcor and Bemis merge to form Amcor PLC

larger operating base for Amcor

Acquisition by Berry Global

Acquisition of RPC Group PLC for USD 6.5 billion

USD 150 million in annual synergies

Acquisition by Sealed Air

Acquisition of MGM's flexible packaging business

in high-growth geographies and markets

Single-Use Packaging Market Assessment

5.1 Single-Use Packaging Market Assessment by Materials

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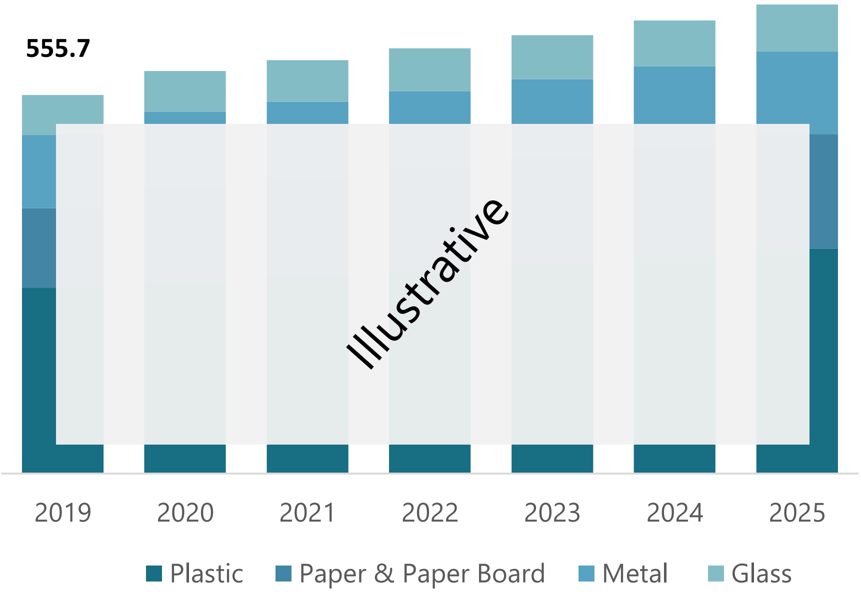
Global Single-Use Packaging Market Assessment by Materials

Global Market Share by Materials (2019 and 2025)

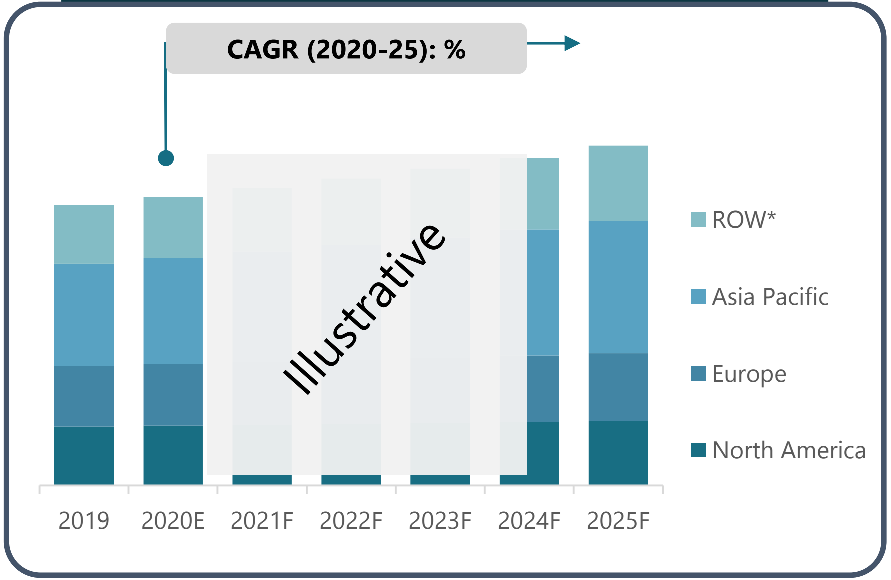
- In 2019, Plastic, and Paper & Paper board materials dominated the global packaging market with a combined share of 70% of the global single-use packaging market
- Paper & Paper Board and metal packaging materials are likely to gain in market share marginally by 2025

Global Market by Materials (2019-2025) – USD Bn



Overview of Single-Use Plastic Packaging

Plastic Packaging Materials (2019-2025) – USD Bn



- The global plastic packaging market was valued at USD xx Bn in 2019, ar … % fr …
- Co … rs ha … us ch … t, ar … ls su … ic pa …
- F& … ic bo … re pa … er va … d pa …
- In … e pl … ey ec … d co … er ba … e pl …
- Europe, is the second largest contributor mainly from Germany and France contributed by pharmaceutical and food and beverage verticals

5.1 Assessment By Materials

5.1.1 *Plastic*

Overview of Single-Use Plastic Packaging

- Plastic packaging market is estimated to account the largest share of the overall packaging market in 2020 [illegible] an[illegible]
- Fo[illegible]
- He[illegible]
- Th[illegible] lifestyle and increasing penetration of organized retail outlets principally expanding the packaging scope

Key End-use Markets

- Food & Beverages
- Personal Care
- Pharmaceuticals

Key Plastic Packaging Suppliers

- The single-use plastic packaging market is competitive with the presence of many players running their business in[illegible] Be[illegible] in this case, from sugarcane

Key Suppliers

amcor

Tetra Pak

WINPAK

Sealed Air

Assessment by End Use Vertical

5.2 Single-Use Packaging Market Assessment by End-Use Vertical

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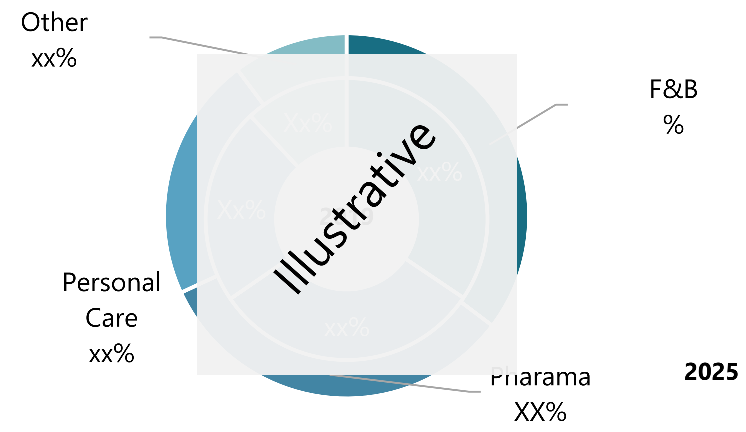
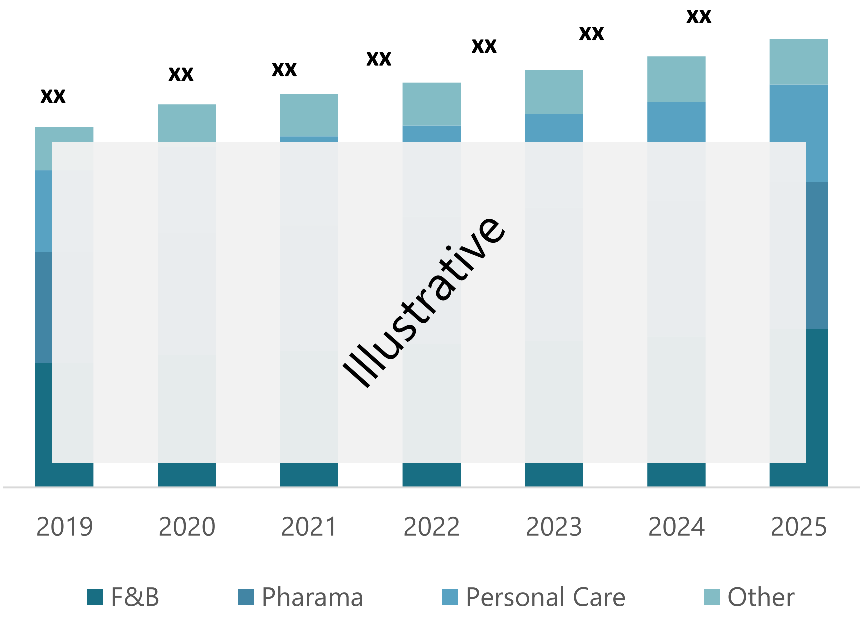
Global Single-Use Packaging Market Assessment By End Use Vertical

Global Single-Use Packaging, Market Share by End Use (2019 & 2025)



- In 2019, Food & Beverages and Pharma segments dominated the market. Food & Beverages segment is further expected to gain in share from 2020 to 2025
- Pharma and Personal care these two sectors are expected to grow at a CAGR of xx% and xx% respectively in the forecast period

Global Single-Use Packaging Market by End Use (2019-2025)–USD Bn

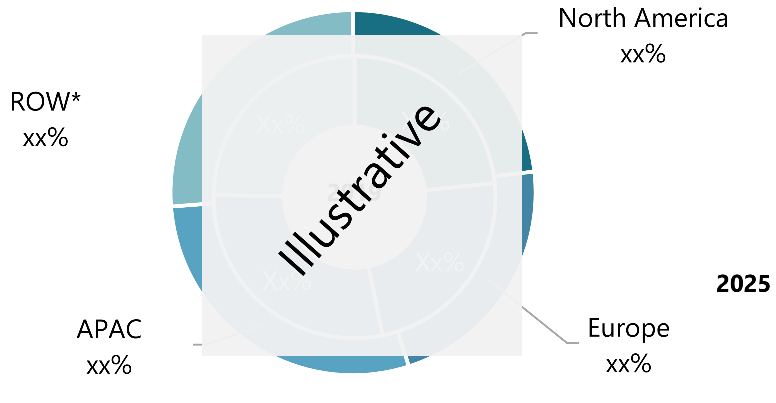


Assessment by Region

5.2 Single-Use Packaging Market Assessment by Region

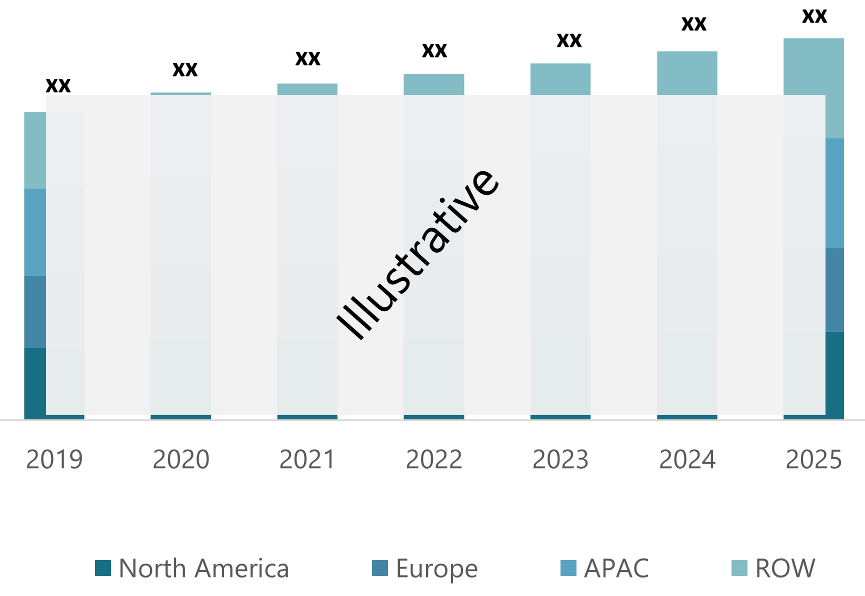
Single-Use Packaging Market Assessment By Region

Global Single-Use Packaging Market Share by Region (2019 and 2025)



- Asia Pacific and North America dominated the single-use of packaging market and largely contributed by plastic packaging. They together contributed nearly xx% of the global market
- Asia Pacific is expected to witness the fastest growth during the forecast period. This region, being already a manufacturing hub, is witnessing growing investments in the areas of packaging

Global Single-Use Packaging Market by End Use (2019-2025) – USD Bn



Supplier Profiles

6.1 Amcor Plc.
Company Overview

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Company Snapshot & Business Overview

Company Information	
Established	1860
Company Type	Public (NYSE: AMCR)
Primary Industry	Non-Paper Containers & Packaging
Headquarters	Bristol, United Kingdom
Geographic Presence	40+ Countries
# of Employees	~50,000 (2019)
Key Company Personnel	
Chairman	Graeme Liebelt
MD & CEO	Ron Delia
Financial Information (2019)	
Total Revenue	USD 9,458.2 Mn
Operating Income	USD 791.7 Mn
Net Income	USD 430.2 Mn

- Amcor Plc. is a global packaging company. It develops and manufactures flexible [illegible]
- T[illegible] more than 50,000 employees globally

Key Single-Use Packaging Products & Solutions

- Flexibles Packaging segment offers flexible and film packaging for food and beverage, [illegible]
- [illegible]
- [illegible] supplying consumer product and fast-moving consumer goods (FMCG) companies

Note: Financial Year for Amcor PLC ends on 30th June 2019

Source: Company Website, Annual Reports

6.1 Amcor plc

Company Overview

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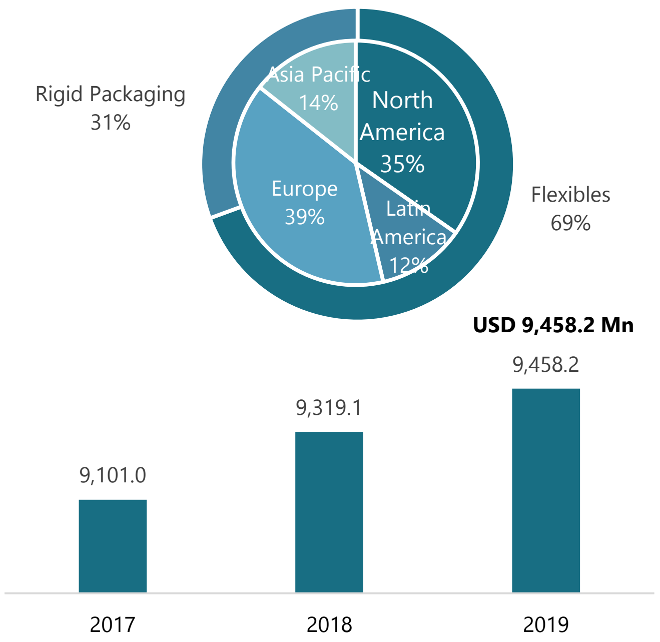
Analyst Overview

Amcor plc Revenue, 2019



- Amcor's has around 231 manufacturing facilities in over 40 countries. Its Flexibles se[illegible]ent ha[illegible]
- Th[illegible]and ch[illegible]
- Th[illegible]nce on[illegible]ood an[illegible]
- An[illegible]bal pla[illegible]ies, Inc[illegible]aki Oy[illegible]nc., Se[illegible]ock Co[illegible]eld co[illegible]
- Th[illegible]inly thr[illegible]out Eu[illegible]
- In [illegible] to de[illegible] it committed to invest at least USD 50 million in strategic projects

Note: Financial Year for Amcor PLC ends on 30th June 2019

Source: Company Website, Annual Reports

6.1 Amcor plc

Key Developments

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Key Developments

Amcor is highly regarded for its innovation as it continues to develop and use bio-based materials to reduce reliance on fossil-fuel-derived plastic packaging. Its business strategy includes both organic expansion of existing operations, particularly through efforts to strengthen and expand relationships with customers in emerging markets, product innovation, and expansion through acquisitions

Recent Acquisition Activity

Acquisition of Bemis

- In … this ac…

Product Development & Partnerships

Bio-based polymer packaging

- In July 2020, Amcor partnered with Espoma Organic, a lawn and garden brand to innovate more sustainable packaging and lau…
- The… n is rec…

OmniPack Stock PET Bottles for E-commerce

- In … de…
- On… ts for Pre…

Acquisition of GE Inc

- In …
- The… nt features a glass-like, champagne-style base combined with the convenience of lightweight and shatter resistant PET

Source: Company Website, Annual Reports

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