

PCA/Greif Deal Continues Industry Trend of Consolidation

Citing “significant synergies with minimal capital investment,” Packaging Corporation of America (PCA) announced in July that it has entered into a definitive agreement to purchase the containerboard business of Greif, Inc. Greif will divest its containerboard business, including its CorrChoice sheet feeder network, in an all-cash transaction for US\$1.8 billion in cash. Subject to the customary conditions and regulatory approvals, the deal is expected to close by the end of PCA’s third quarter (or the end of Greif’s 2025 fiscal year, which is September 30).

“The sale of our containerboard business is fully aligned with our Build to Last strategy and unlocks immediate value for our shareholders,” says Greif’s President and Chief Executive Officer Ole Rosgaard. “It represents a pivotal step in our work to sharpen our portfolio, enhance our capital efficiency, and advance our growth priorities.”

Goldman Sachs acted as exclusive financial advisor to Greif on the planned transaction, and the company reports that cash proceeds will be allocated to debt repayment.

GROWTH FOR BOTH

PCA CEO Mark Kowlzan expects multiple synergies from the purchase. “This acquisition furthers PCA’s profitable growth strategy,” he says. “The mills nicely complement PCA’s system and will provide containerboard to support PCA’s continued corrugated products growth. We expect to achieve significant synergies with minimal capital investment through our operational expertise and will identify even more opportunities within the combined system for future high return investments to grow with our corrugated and sheet feeder customers.”

“This consolidation trend is creating bigger and more integrated containerboard to corrugated box companies in North America, which could also lead to more producer pricing power.”

— Greg Rudder, Fastmarkets



Observers expect PCA to finance the transaction with US\$1.5 billion of new debt and cash on hand. The company estimates that the deal will generate pre-tax benefits of about US\$60 million, which it expects to fully realize within the first two years. PCA anticipates synergies from improved operational and production capabilities and efficiencies at the mills, increased integration, mill grade optimization, and lower transportation costs.

The Greif containerboard business includes two containerboard mills—one in Massillon, OH, and the other in Gladstone, VA, (Riverville)—totaling about 800,000 tons of production capacity. Also included are seven CorrChoice sheet feeder locations (Cincinnati, OH; Concord, NC; Dallas, TX; Louisville, KY; Mason, MI; Massillon, OH; and Palmyra, PA), and a single box plant location. Greif containerboard business generated approximately US\$1.2 billion in sales and US\$212 million of earnings before EBITDA for the 12 months ended April 30, 2025.

At press time *Paper360°* learned that, in a separate deal, Greif has entered into an agreement to sell its remaining timberlands across the southeastern US to Molpus Woodlands Group for US\$462 million. The divestiture includes more than 173,000 acres of timberlands managed by wholly-owned subsidiary Soterra.

PCA’s Packaging segment currently includes seven containerboard mills and 85 converting operations. In 2024, PCA produced about 294 billion square feet (BSF) of containerboard and shipped 67 BSF of corrugated products. PCA is also one of the largest producers of uncoated



freesheet in North America (based on production capacity). Its paper segment operates under the trade name Boise Paper, a Division of Packaging Corporation of America. The company’s net sales for 2024 were US\$8.4 billion.

Tom Hassfurther, president, PCA, calls Greif “a very strong cultural fit with us in terms of safety, innovation, growth, and dedication to serving the needs of customers. We will apply the sales, customer service, and operational expertise of the combined organization to even better serve our corrugated and sheet feeder customers and achieve additional growth and profitability.”

M&A FORMS THE TOP THREE

This purchase of Greif will solidify PCA’s position as North America’s third largest producer of containerboard and corrugated packaging—after International Paper (IP) and Smurfit Westrock, according to Fastmarkets capacity figures. M&A activity also contributed to the market position growth of both of those companies: In January of this year, IP completed its US\$7.2 billion acquisition of DS Smith; Smurfit Kappa sealed the deal on its US\$11 billion purchase of WestRock in July of 2024.

Fastmarkets notes that, if the PCA/Greif transaction goes as planned, the three deals will have a combined cost of US\$20 billion, the most paid in a year in containerboard M&A activity. Together, these three companies would hold a market share of about 65 percent of regional containerboard capacity.

Paper360° asked Fastmarkets’ Greg Rudder what the ripple effect of the PCA/Greif deal may be for the containerboard sector.

“The PCA/Greif deal represents another chapter in the industry’s consolidation story, providing another opportunity to increase efficiencies,” says Rudder, managing editor, Fastmarkets, Americas. “This consolidation trend is creating bigger and more integrated containerboard to corrugated box companies in North America, which could also lead to more producer pricing power.” 