



Silgan Holdings Equity Report
October 2020

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Silgan Holdings (NASDAQ: SLGN)

Company Profile

Headquarters: Stamford, CT

CEO: Anthony J. Allot

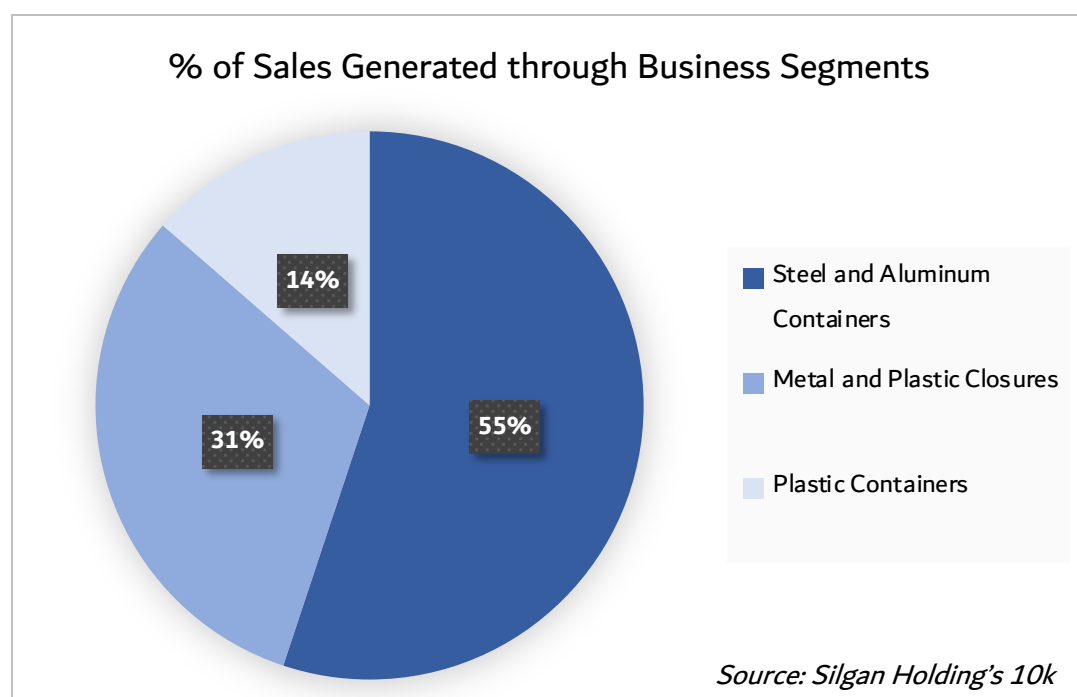
Industry: Packaging and Containers

Sector: Materials

Silgan Holdings is a leading manufacturer of packaged consumer goods. Silgan Holdings was founded in 1987 by R. Philip Silver and D. Greg Horrigan. The company reported net revenues of approximately \$4.5 billion in 2019. The company operates internationally, with 100 manufacturing plants in North America, Europe, Asia, and South America. The three main business segments for Silgan Holdings are as follows:

1. Steel and aluminum containers
2. Metal and plastic closures and dispensing systems for food
3. Plastic containers for molding and decorating abilities

Silgan is the largest manufacturer of metal containers in the United States, with a unit volume market share of over half the market in 2019. Major consumers include Nestlé, Campbell Soup, and Del Monte. The metal containers business segment generated net sales of \$2.47 billion in 2019, and a resulting operating income of \$160 million. The chart below shows the % of revenue generated by each business segment.



In addition to operating these business segments, the company is heavily vested in acquisition integration to complement organic growth and expansion. Since the company was founded, Silgan Holdings has acquired thirty-eight businesses, including two businesses in 2020. Through these acquisitions, Silgan has established itself as a leading market player in the manufacturing of closures, generating net sales of \$1.41 billion since the acquisition of the White Cap closures operations in 2003. Since then, net sales have increased seven-fold. Sales generated from plastic containers have also increased seven-fold since 1987, generating \$611.1 million net sales in 2019.

Historically, Silgan Holdings partakes in acquisitions in order to obtain a larger market share in each of its three operating business segments or enter new business segments. In 2020, Silgan Holding's most recent acquisitions are as follows:

1. The Cobra Plastics Acquisition, acquired on February 4th 2020
2. The Albéa Dispensing Business Acquisition, acquired on June 1st 2020

Silgan Holdings paid \$39.8 million for Cobra Plastics, a manufacturer and seller of injection mold plastics closures, and generates approximately \$30 million in sales per year. In addition, Silgan Holdings paid \$901.3 million for Albéa Dispensing, a leading global supplier of highly engineered pumps for the cosmetic industry, generating \$395 million in sales in 2019. Silgan is projecting operational cost synergies of \$20 million over the next 18 months through this acquisition.

These acquisitions, in addition to external macro economic factors, play a role in determining the overall five-year forecast of Silgan Holdings and as the valuation of the company. This report showcases three valuation methodologies used to value Silgan Holdings. The **first** methodology is using the Market Value and Stock Price to determine the enterprise value; the **second** is Trading Comparables, which is based on the average multiples of industry peers; the **third** valuation method is the Discounted Cash Flow Analysis which provides an enterprise value based on the net present value of future cash flows. Furthermore, this report will advise on whether one should buy, hold, or sell the company's stock.

Method #1: Stock Price

\$35.52 USD

Method #2:
Trading Comparables

\$43.11 USD

Method #3: Discounted Cash
Flow Valuation

\$34.91 USD

In addition to providing three valuation methods, the report provides a competitive analysis, and highlights the company's performance over the last three years (2017-2019). This report discusses how these acquisitions and other factors play a role in the company's performance over the next five years. This report identifies assumptions and showcases a five-year projection of the company's performance and provides a financial analysis of the company. Lastly, this report provides a technical analysis of the company, including a linear regression showcasing the company's performance relative to the stock market.

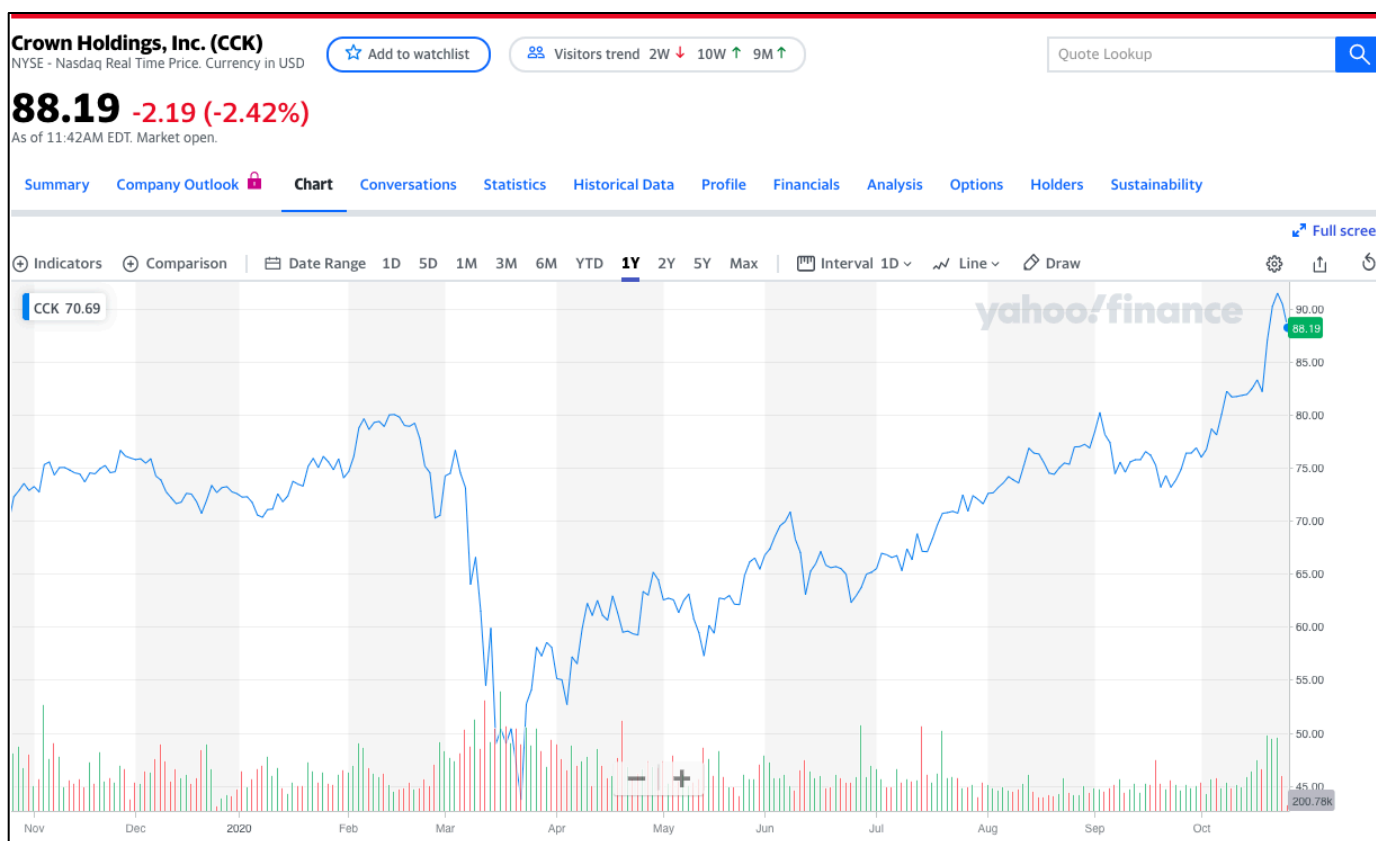
Silgan Holdings Competitive Analysis

Silgan Holdings Stock Performance

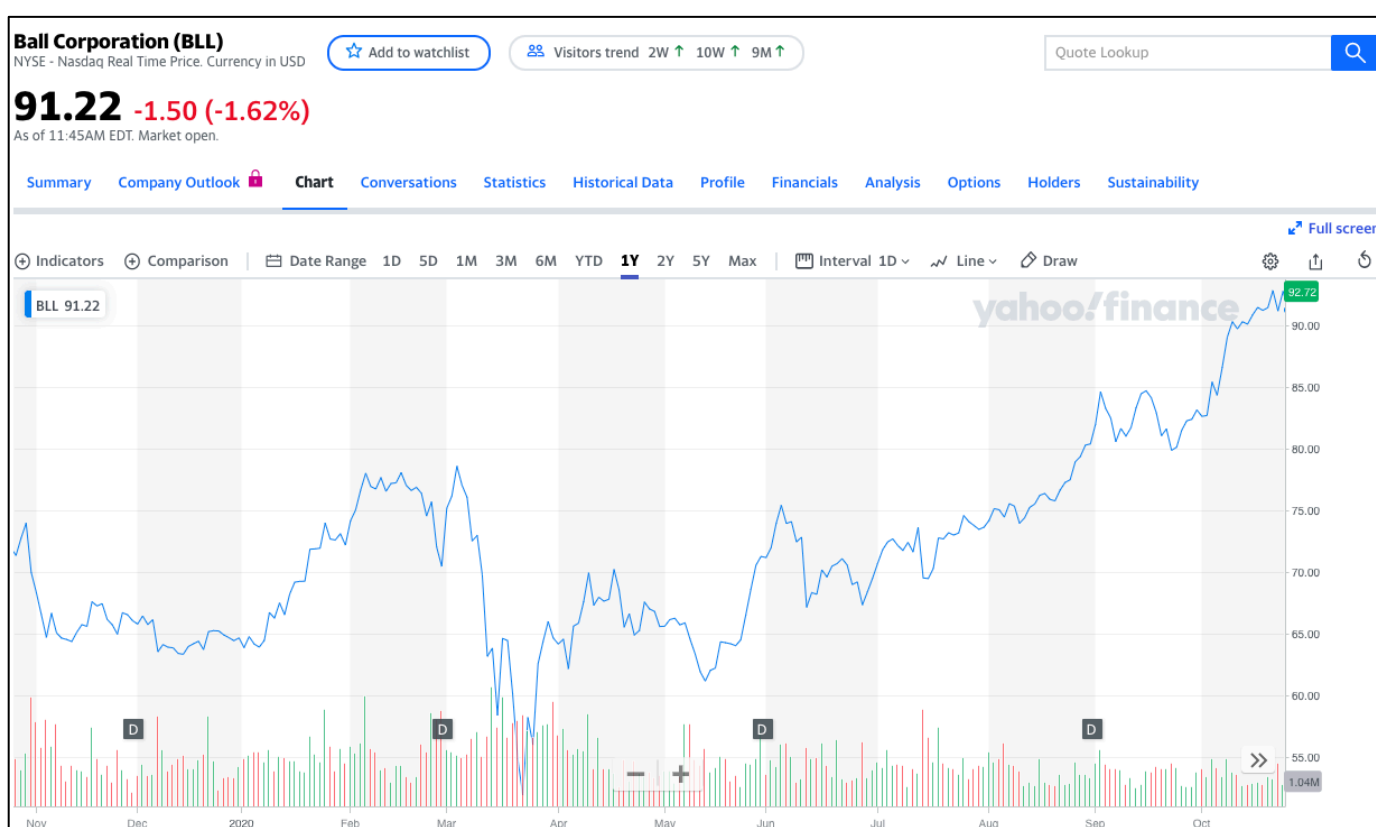


Silgan Holdings' current stock price is \$35.52 USD. The company's stock price is in the ballpark range of \$30 USD - \$45 USD. The company's stock has experienced a 17.36% growth rate in the last one year.

Stock Performance of Competitors



Crown Holdings is a leading supplier of metal packaging, closures, and specialty packaging. The company has a market capitalization of \$12.179 USD billion. Their most recent stock price is \$88.19 USD. Their most recent enterprise value is listed at \$19.95 USD billion.



Ball Corporation is a global provider of sustainable aluminum packaging for personal and household items. The company has a market capitalization of \$29.9 USD billion. Their most recent stock price is \$92.72 USD. The company's most recent enterprise value is listed at \$37.38 USD billion.

Financial Analysis for Year 2019 vs Year 2020

Analysis of Operations:

- Revenue growth declined from 11.66% in 2017 to 8.78% in 2018, and 0.92% in 2019. Due to the decline in revenue growth, Silgan Holdings has historically sought acquisitions as a growth strategy to complement organic growth. In 2020, Silgan Holdings acquired Cobra Plastics and Albéa Dispensing to propel the company's revenue growth. In total, both these acquisitions are projected to increase Silgan Holding's revenue by \$425 million in the consolidated 2020 financial statements (\$30 million a year derived from Cobra Plastics, and \$395 million a year derived from Albéa Dispensing).
- The acquisition of Albéa costed \$901.3 million in cash, and incurred acquisition costs of \$16.1 million and \$18.3 million, which are included in the Selling, General, and Administrative expenses for 2020. Furthermore, Silgan Holdings funded the purchase price of Albéa through term and revolving loan borrowings of \$900 million.
- As a result of these acquisitions, Goodwill of \$508.9 million has been recorded under the balance sheet for 2020.
- Gross Margins are steady in the range of 15.64% in 2017 to 15.90% in 2019, however it slightly increases for 2020 to 16.90% in 2020 as a result of ongoing operational excellence and leveraging scale for better sourcing. As a result of these acquisitions, net income increased by 46.25% from \$193.814 million in 2019 to \$283.444 million in 2020.

Analysis of Cash Flows:

- Cash flows from operating activities increased from \$506.5 million in 2018 to \$507.3 million in 2019, and to \$628.3 million in 2020.
- Capital expenditures rose from \$190.1 million in 2018 to \$230.9 million in 2019.
- Cash from financing activities has declined in 2018 and 2019 as a result of repayments of long-term loans.
- Cash used in investing activities increased from \$230.09 million in 2019 to \$1.168 billion in 2020 due to the acquisitions of Cobra Plastics and Albéa Dispensing.

Silgan Holdings Income Statement (Dollars in thousands)

	31-Dec-17	31-Dec-18	31-Dec-19	LTM
Revenue	\$ 4,089,854	\$ 4,448,875	\$ 4,489,927	\$ 4,576,487
Cost of Goods Sold	3,455,306	3,759,112	3,776,183	3,803,060
Gross Profit	\$ 634,548	\$ 689,763	\$ 713,744	\$ 773,427
Selling, general, and administrative expenses	305,173	308,376	315,703	554,374
Rationalization Charges	5,826	6,253	56,351	Not available
Other pension and post retirement income	(33,441)	(36,966)	(17,796)	Not available
Earnings Before Interest and Taxes	\$ 356,990	\$ 412,100	\$ 359,486	\$ 477,351
Interest and other debt expense	117,309	118,799	107,350	100,402
Loss on Early Extinguishment of Debt	-	-	-	Not available
Income before income taxes	239,681	293,301	252,136	Not available
Provision (benefit) for income taxes	(29,978)	69,307	58,322	Not available
Net income	\$ 269,659	\$ 223,994	\$ 193,814	\$ 283,444

Source: Silgan Holding's 10k, Yahoo! Finance

Silgan Holdings Statement of Cash Flows

Silgan Holdings Statement of Cash Flows (Dollars in thousands)				
	31-Dec-17	31-Dec-18	31-Dec-19	LTM
Cash flows provided by (used in) operating activities:				
Net income	\$ 269,659	\$ 223,994	\$ 193,814	\$ 283,444
Depreciation and Amortization	174,062	191,737	206,483	213,203
Amortization of Debt Issuance Costs	4,259	3,774	3,463	Not available
Rationalization Charges	5,826	6,253	56,351	Not available
Stock Compensation Expense	14,639	14,923	17,078	Not available
Loss on early extinguishment of debt	7,052	2,493	1,676	Not available
Deferred income tax (benefit) provision	(114,969)	23,740	(20,859)	Not available
Trade accounts receivable, net	(37,107)	516	3,800	Not available
Inventories	(17,228)	20,366	53	Not available
Trade accounts payable	84,102	61,095	16,453	Not available
Accrued liabilities	4,321	3,564	13,950	Not available
Other, net	(4,851)	(45,935)	15,093	Not available
Net cash provided by operating activities	\$ 389,765	\$ 506,520	\$ 507,355	\$ 628,266
Cash flows provided by (used in) investing activities:				
Purchase of business, net of cash acquired	(1,023,848)	-	-	Not available
Capital expenditures	(174,429)	(190,973)	(230,944)	(229,296)
Other, net	600	1,051	854	Not available
Net cash used in investing activities	\$ (1,197,677)	\$ (189,922)	\$ (230,090)	\$ (1,168,751)
Cash flows provided by (used in) financing activities:				
Borrowings under revolving loans	1,172,079	1,043,370	1,194,120	Not available
Repayments under revolving loans	(1,316,758)	(991,006)	(1,292,280)	Not available
Changes in outstanding checks- principally vendors	8,851	(4,125)	(4,664)	Not available
Proceeds from issuance of long-term debt	1,789,200	-	400,000	1,556,591
Repayments of long-term debt	(755,037)	(286,200)	(359,432)	(957,792)
Debt issuance costs	(16,964)	(3,272)	(4,825)	Not available
Dividends paid on common stock	(40,493)	(44,549)	(50,840)	(52,625)
Repurchase of common stock	(4,123)	(7,828)	(27,604)	Not available
Net cash used in financing activities	\$ 836,755	\$ (293,610)	\$ (145,525)	\$ 613,215
Effect of exchange rate changes on cash and cash equivalents		(3,702)	(735)	Not available
Cash and cash equivalents:				
Net increase (decrease)	28,843	19,286	131,005	Not available
Balance at beginning of year	24,690	53,533	72,819	Not available
Balance at end of year	\$ 53,533	\$ 72,819	\$ 203,824	\$ 190,119

Source: Silgan Holding's 10k, Yahoo! Finance



Silgan Holdings Balance Sheet



Silgan Holdings Balance Sheet (Dollars in thousands)				
	31-Dec-17	31-Dec-18	31-Dec-19	LTM
Assets				
Current Assets:				
Cash and cash equivalents	53,533	72,819	203,824	191,082
Trade accounts receivable	454,637	511,332	504,986	729,275
Inventories	721,290	634,806	633,005	821,448
Prepaid expenses and other current assets	62,462	71,177	64,993	85,918
Total current assets	1,291,922	1,290,134	1,406,808	1,827,723
Property plant and equipment	1,489,872	1,517,510	1,570,331	1,729,481
Goodwill	1,171,454	1,148,302	1,142,223	1,668,614
Other intangible assets, net	417,088	383,448	354,615	635,156
Other assets, net	275,113	239,900	457,082	512,082
Total Assets	\$ 4,645,449	\$ 4,579,294	\$ 4,931,059	\$ 6,373,056
Liabilities and Stockholder's Equity				
Current Liabilities:				
Revolving loans and current portion of long-term debt	108,789	170,214	29,813	391,418
Trade accounts payable	659,629	712,739	727,053	601,740
Accrued payroll and related costs	66,257	68,773	66,866	103,458
Accrued liabilities	123,602	127,342	194,797	266,512
Total current liabilities	958,277	1,079,068	1,018,529	1,363,128
Long-term debt	2,438,502	2,134,400	2,214,608	3,106,425
Deferred income taxes	262,394	268,036	254,836	357,131
Other liabilities	220,211	216,525	419,764	456,678
Total liabilities	3,879,384	3,698,029	3,907,737	5,283,362
Stockholder's Equity:				
Common Stock	1,751	1,751	1,751	1,751
Paid-in capital	262,201	276,062	289,422	296,639
Retained earnings	1,809,845	1,997,785	2,141,302	2,249,391
Accumulated other comprehensive loss	(188,973)	(268,808)	(259,742)	(297,360)
Treasury stock	(1,118,759)	(1,125,525)	(1,149,411)	(1,160,727)
Total stockholder's equity	766,065	881,265	1,023,322	1,089,694
Total Liabilities + Stockholder's Equity	\$ 4,645,449	\$ 4,579,294	\$ 4,931,059	\$ 6,373,056

Source: Silgan Holding's 10k, Yahoo! Finance

Ratio Analysis

Silgan Holdings Ratios					
	4-year Average	31-Dec-17	31-Dec-18	31-Dec-19	LTM
Liquidity Ratios					
Current Ratio	1.32	1.35	1.20	1.38	1.34
Accounts Receivable Turnover	48.28	43.10	41.69	50.17	58.16
Solvency Ratios					
Long Term Debt / Total Capitalization	0.72	0.76	0.71	0.68	0.74
EBITDA / Interest (Interest Coverage)	4.96	4.53	5.08	5.27	6.88
Total Debt / EBITDA	3.91	4.06	3.62	4.06	4.60
Profitability Ratios					
Gross Margin	15.64%	15.52%	15.50%	15.90%	16.90%
EBITDA Margin	13.05%	12.98%	13.57%	12.61%	15.09%
EBIT Margin	8.67%	8.73%	9.26%	8.01%	10.43%
Return on Assets (ROA)	5.28%	6.92%	4.86%	4.08%	3.92%
Return on Equity (ROE)	30.40%	43.65%	27.19%	20.35%	26.83%
Trend Analysis Ratios					
Revenue Growth	7.12%	11.66%	8.78%	0.92%	1.93%
Operating Expense as % of Revenues	6.93%	7.46%	6.93%	7.03%	12.11%
Tax as a % of EBIT	21.00%	21.00%	21.00%	21.00%	21.00%
% Change in Depreciation	7.03%	10.15%	7.69%	3.25%	N/A
% Change in Capex	-6.80%	10.01%	-9.48%	-20.93%	-0.71%



Projection Analysis Assumptions

Year-on-Year Revenue Growth Assumptions:

- After the acquisition of Albéa Dispensing, the company now has four different business segments: Metal Containers, Closures, Plastic Containers, and Albéa, focused on the cosmetics segment. As projected in the table below, each of these business segments have different dynamics, and are growing at different rates, based on the business segment dynamics and the impact of COVID-19 on these segments. During the pandemic, growth rates are enormously impacted by COVID-19, which influences the performance of specific sectors and the emerging COVID-19 economy. The next three years are likely to have a significant impact on the overall growth rates of each business segment.
- Metal containers is projected to grow at a rate of 17% from 2019 to 2020 as a result of stay-at-home orders due to COVID-19. As many restaurants and businesses are closed, or are operating at a lesser frequency, more people are dining at home.
- Closures are also increasing at a large rate of 22% from 2019 to 2020 as more people are staying at home and are ordering items online to be delivered to their home.
- Plastic containers, similar to metal containers and closures, are growing at a large rate of 14% from 2020 to 2021 as individuals are spending more time at home and plastic containers are home items.
- Silgan's recent acquisition, Albéa, is projected to decline at a rate of 10% between 2019 and 2020, as Albéa specializes in packaging for the beauty and cosmetics industry. Due to COVID-19 and Stay-at-Home economy, consumers are not buying as much cosmetics and beauty products. Based on an analysis of other leading cosmetic companies such as Estée Lauder, the cosmetics industry is projected to decline by 10% in 2020.
- Growth rates are projected to slow down next year for Metal Containers, Closures, and Plastic Containers as a vaccine emerges and a large population is vaccinated by the end of Q2 in 2021. Albéa's segment is also projected to resume growth in the second half of 2021.
- The specific growth rates for each business segment impacts the cumulative growth rates in the five-year projection, and these business segment growth rates are modelled below. Subsequent to 2022, businesses should return to more normal growth rates of 1.5% per year (excluding any future acquisitions).

Business Segments	YOY Growth	Dec-31st-2020	YOY Growth	Dec-31st- 2021	YOY Growth	Dec-31st- 2022
Metal Containers	17%	2,469,460	9%	2,679,364	4%	2,793,237
Closures	22%	1,391,878	11%	1,544,984	6%	1,629,958
Plastic Containers	14%	658,590	7%	704,691	4%	729,355
Albea	-10%	395,000	-5%	375,250	10%	412,775



Projection Analysis (2020-2025)

	Assumption as a % of Revenue						
		31st-Dec-2020	31st-Dec-2021	31st-Dec-2022	31st-Dec-2023	31st-Dec-2024	31st-Dec-2025
Revenue	100%	\$ 5,498,970	\$ 5,955,813	\$ 6,246,078	\$ 6,433,460	\$ 6,529,962	\$ 6,627,912
Cost of Goods Sold	84%	(4,619,135)	(5,002,883)	(5,246,705)	(5,404,107)	(5,485,168)	(5,567,446)
Gross Profit	16%	\$ 879,835	\$ 952,930	\$ 999,372	\$ 1,029,354	\$ 1,044,794	\$ 1,060,466
Selling, general, and administrative expenses	7%	(381,164)	(412,830)	(432,950)	(445,939)	(452,628)	(459,417)
Rationalization Charges	1%	(54,990)	(59,558)	(62,461)	(64,335)	(65,300)	(66,279)
Other pension and post retirement income	-0.4%	21,996	23,823	24,984	25,734	26,120	26,512
Earnings Before Interest and Taxes		\$ 465,678	\$ 504,365	\$ 528,946	\$ 544,814	\$ 552,987	\$ 561,281
Interest and other debt expense	2%	(109,979)	(119,116)	(124,922)	(128,669)	(130,599)	(132,558)
Income before income taxes		355,698	385,249	404,024	416,145	422,387	428,723
Provision (benefit) for income taxes	1%	(54,990)	(59,558)	(62,461)	(64,335)	(65,300)	(66,279)
Net income		\$ 300,708	\$ 325,691	\$ 341,564	\$ 351,811	\$ 357,088	\$ 362,444
Other Assumptions	6-Year Average	31st-Dec-2020	31st-Dec-2021	31st-Dec-2022	31st-Dec-2023	31st-Dec-2024	31st-Dec-2025
Revenue Growth	6.94%	22.47%	8.31%	4.87%	3.00%	1.50%	1.50%
Taxes as a % of EBIT	21%	21%	21%	21%	21%	21%	21%
Depreciation and Amortization	4.39%	4.39%	4.39%	4.39%	4.39%	4.39%	4.39%
Capex	4.57%	4.57%	4.57%	4.57%	4.57%	4.57%	4.57%
Ratio Analysis Assumptions	6-Year Average	31st-Dec-2020	31st-Dec-2021	31st-Dec-2022	31st-Dec-2023	31st-Dec-2024	31st-Dec-2025
EBITDA	794,945	703,318	761,749	798,873	822,840	835,182	847,710
Solvency Ratios							
Total Debt / EBITDA	4.36	4.91	4.53	4.32	4.19	4.13	4.07
EBITDA / Interest (Coverage Ratio)	7.74	6.85	7.42	7.78	8.01	8.13	8.26
EBIT / Interest (Coverage Ratio)	(4.23)	-4.23	-4.23	-4.23	-4.23	-4.23	-4.23
Profitability Ratios							
Gross Margin	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%
Profit Margin	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%
EBIT Margin	8.47%	8.47%	8.47%	8.47%	8.47%	8.47%	8.47%



Valuation Analysis

METHOD #1 - Market Value / Using the Stock Price										
Calculations →										
		SP	SO	SP * SO = EQ	D	C	EQ + D - C = EV			
Company	Symbol	Stock Price	Stocks Outstanding (\$000)	Equity Value (\$000)	Debt (ST<) (\$000)	Cash (\$000)	Enterprise Value (\$000)			
Silgan Holdings	SLGN	35.52	110,890	3,938,813	3,450,000	193,800	7,195,013			
METHOD #4 - Average EBITDA Industry Trading Multiples										
Calculations →										
		SP	SO	SP * SO = EQ	D	C	EQ + D - C = EV	E	EV / E	EV / E
Company	Symbol	Stock Price	Stocks Outstanding (\$000)	Equity Value (\$000)	Debt (ST<) (\$000)	Cash (\$000)	Enterprise Value (\$000)	EBITDA (\$000)	EBITDA Multiple	Beta
Crown Holdings	CCK	\$ 90.38	134,760	12,179,609	8,173,000	607,000	19,745,609	1,569,000	12.6x	1.26x
Smurfit Kappa	SKGL	\$ 3,124.00	82,208	7,430,000	3,686,000	189,000	10,927,000	1,405,000	7.78x	0.94x
Ball Corporation	BLL	\$ 92.72	326,564	30,279,000	8,056,000	1,798,000	36,537,000	1,370,000	26.67x	0.51x
Amcor	AMCR	\$ 10.97	1,568,459	17,206,000	6,700,400	742,600	23,163,800	1,683,700	13.76x	0.46x
International Paper Company	IP	\$ 46.40	393,103	18,240,000	16,374,000	511,000	34,103,000	3,066,000	11.12x	1.18x
Mondi	MNDLL	\$ 1,593.50	4,855	7,737,000	2,276,000	74,000	9,939,000	1,486,000	6.69x	0.74x
Reynolds Group	REYN	\$ 30.36	209,684	6,366,000	4,260,000	102,000	10,524,000	633,000	16.63x	0.29x
Silgan Holdings	SLGN	\$ 35.52	110,890	3,938,813	3,450,000	193,800	7,195,013	794,945	9.05x	1.76x
EBITDA * Average Multiple								Average	11.4x	
								Outlier	26.67x	
Enterprise Value		8,036,198								
METHOD #6 - Discount Cash Flow Valuation Analysis										
Discout Cash Flow Valuation Analysis										
	4yr-Hist. Avg Assumptions	Projected Assumptions	Input Actual	year = 1	2	3	4	5	6	EXIT YEAR
			2019	2020	2021	2022	2023	2024	2025	
Revenues			4,489,927	5,498,970	5,955,813	6,246,078	6,433,460	6,529,962	6,627,912	
Revenue Growth				8.31%	4.87%	3.00%	1.50%	1.50%	1.50%	
Cost of Revenues (CoGS)	84%	84%	3,776,183	(4,619,135)	(5,002,883)	(5,246,705)	(5,404,107)	(5,485,168)	(5,567,446)	
Gross Profit			713,744	879,835	952,930	999,372	1,029,354	1,044,794	1,060,466	
Selling, general, and administrative expenses		7%	315,703	(384,928)	(416,907)	(437,225)	(450,342)	(457,097)	(463,954)	
Rationalization Charges		1%	56,351	(54,990)	(59,558)	(62,461)	(64,335)	(65,300)	(66,279)	
Other pension and post retirement income		-0.4%	(17,796)	21,996	23,823	24,984	25,734	26,120	26,512	
EBIT			359,486	461,913	500,288	524,671	540,411	548,517	556,745	
Less Taxes (tax rate x of EBIT)	21%	21%	(75,492)	(97,002)	(105,061)	(110,181)	(113,486)	(115,189)	(116,916)	
Plus Depreciation and Amortization	4.39%	4.39%	15,781	241,405	261,460	274,203	282,429	286,665	290,965	
Less Capex	4.57%	4.57%	(16,429)	(251,303)	(272,181)	(285,446)	(294,009)	(298,419)	(302,896)	
Cash Flow			283,347	355,013	384,507	403,247	415,344	421,574	427,898	
EBITDA				703,318	761,749	798,873	822,840	835,182	847,710	
Debt (assuming 5% reduction of intial principal per year)			3,450,000	3,277,500	3,113,625	2,957,944	2,810,047	2,669,544	2,536,067	
Terminal Value	Assumptions	Growth								
EBITDA Multiple Method	9.05x	(EBITDA x EBITDA Multiple)						7,558,399		
Perpetuity Method	8.40%	1.50% Next Year's Cash Flow / (Discount Rate - Growth)						6,197,451		
Average								6,877,925		
Less Debt Outstanding (at Exit)								(3,450,000)		
Plus Cash (at Exit)										
Equity Value at Terminal								3,427,925		
		PV (for \$1)								
Equity Cash Flows	0			355,013	384,507	403,247	415,344	3,849,499		
	PV (1) =		327,490							
	PV (2) =		354,697							
	PV (3) =		316,541							
	PV (4) =		300,760							
	PV (5) =		2,571,398							
	PV =		3,870,886							
Enterprise Value =		PV of Equity + PV of Debt								
	PV of Equity =		3,870,886							
	+ PV of Debt =		3,450,000							
	+ PV of Cash =		(193,800)							
Enterprise Value			7,127,086							
Cost of Equity Calc										
	Risk Free Rate (5 year)		3.00%							
	Premium based on MC =		6.00%							
	Silgan Beta =		1.76							
	Expected Equity Return =		13.56%							
	Interest		109,979							
	3.19% Rate									
WACC Calc										
	Debt	3,450,000	46.69%	2.52%	1.18%					
	BV Equity	3,938,813	53.31%	13.56%	7.23%					
		7,388,813	100.00%		8.40%					

Valuation Methodologies Discussion

ENTERPRISE VALUATION ANALYSIS

Methodology	Enterprise Value (\$000)	Debt (ST<) (\$000)	Cash (\$000)	Equity Value (\$000)	Stocks Outstanding (\$000)	Stock Price
Methodology #1 (Stock Price)	7,195,013	3,450,000	193,800	3,938,813	110,890	\$ 35.52
Methodology #2 (Trading Comparables)	8,036,198	3,450,000	193,800	4,779,998	110,890	\$ 43.11
Methodology #3 (DCF)	7,127,086	3,450,000	193,800	3,870,886	110,890	\$ 34.91
Average of the Three Methods	7,452,766	3,450,000	193,800	4,196,566	110,890	\$ 37.84

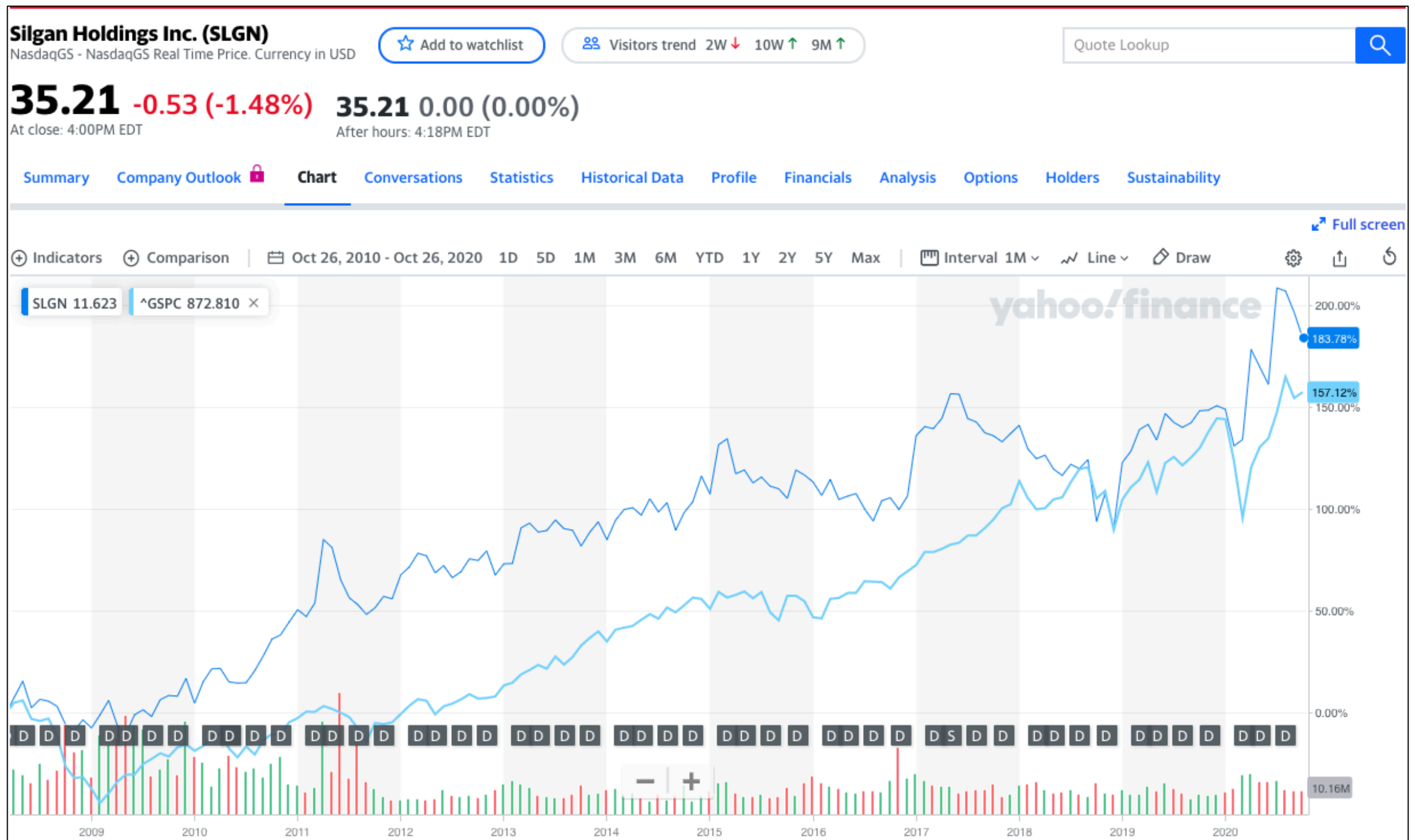
Valuation Methodologies Analysis:

- The company is trading at a value of \$35.52 USD, with a last 30-day range of \$34.67 to \$40.37 USD.
- The three valuation methodologies indicate that currently the stock is fairly-valued, as the latter two methodologies yield an average stock price of \$39.01.
- Out of the three valuation methodologies, the Trading Comparables methodology resulted in the highest enterprise value for Silgan Holdings. This method takes into consideration the value of Silgan Holding's competitors, and their corresponding EBITDA multiples. Silgan's peers are trading at a higher EBITDA multiple of 11.4x than the company (for the purposes of this assessment, Ball Corporation was excluded as its multiple was extraordinarily high at 26.67x). Silgan Holdings has an EBITDA multiple of 9.05x, and therefore there is some modest room for multiple expansion.
- The DCF methodology resulted in a fair-value for Silgan Holdings, at a stock price of \$34.90 USD, close to the trading value of \$35.52 USD.
- Given the average valuation of \$37.84 USD being close to the current stock price of \$35.52 USD, we can conclude that the stock is fairly-valued with a slight upside opportunity due to multiple expansion.
- Due to the recent acquisitions of Cobra Plastics and Albéa Dispensing, this report projects strong initial growth in revenue, and a resulting higher net income and enterprise value for the company. As a result, we advise that shareholders and stockowners should **hold** onto the stock in anticipation that the stock will increase in value over the next five years.
- If a market correction yields an opportunity due to election uncertainty and anticipated 2nd COVID peak, the market may offer entry points in the low thirties.



Technical Analysis

Silgan Holdings 10-Year Performance vs. S&P 500 10-Year Performance



Silgan 10-Year Performance	
10-Year Average Stock	25.84
10-Year High	39.69
10-Year Low	16.48
10-Year Median	25.64
Standard Deviation	4.32
Skew	0.26
10-Year Daily Average Change	0.038%
10-Year Growth Rate	183.78%
10-Year Beta Coefficient	0.69

S&P 500 10-Year Performance	
10-Year Average Stock	2,126.77
10-Year High	3,580.84
10-Year Low	1,099.23
10-Year Median	2,076.78
Standard Deviation	616.94
Skew	0.22
10-Year Daily Average Change	0.049%
10-Year Growth Rate	157.12%