

Insights from PACK EXPO 2024

Members of the D.A. Davidson Industrial Automation team attended the **PACK EXPO International** show at McCormick Place in Chicago November 3-6. Organized by PMMI, The Association for Packaging and Processing Technologies, PACK EXPO is the largest industry event of the year and serves as the leading platform for innovation, collaboration, and progress across the packaging and processing landscape. Below are a few of our takeaways from the show:

WHAT WE SAW

- The latest in material handling; processing; and primary, secondary, and tertiary packaging equipment and materials for end-use in food & beverage, life sciences, and household & automotive end-markets
- A record number of attendees (77,500+) and exhibitors (2,700+) occupying over 1.3 million net square feet of space
- New packaging technologies developed for greater sustainability, efficiencies, and labor flexibility
 - Equipment solutions designed to handle multiple substrates to address CPGs' push for sustainability
 - AI-powered vision systems for advanced packaging design, handling and inspection
 - Safer, more collaborative robotic solutions with simpler HMI and GUI for ease-of-use

WHAT WE HEARD

- Exhibitors encouraged by the number of customer visits, orders placed, and high-quality sales leads generated over the course of the four-day show
- Encouraging demand starting in the summer of 2024 with continued optimism from election certainty and stable to declining interest rates
- Continued adoption of robotics to address current labor challenges and expected future labor needs

WHAT WE LEARNED

- According to the PMMI 2024 State of the Industry Report, the packaging machinery industry is projected to reach \$11.1 billion in 2024, driven by automation and sustainability trends
 - Industry growth is expected to peak in 2027, with a continued focus on innovative solutions to meet evolving consumer and regulatory demands
- AI use in packaging automation is still in its nascency — “Peak of Inflated Expectations” phase of Gartner’s Hype Cycle — experts estimate another 4-5 years before we start seeing meaningful advancements in the use of AI

Up Next: International Production & Processing Expo (IPPE) in Atlanta, January 28th–30th. In the meantime, we look forward to connecting with you to discuss the industry and your M&A and capital advisory needs.

Until next time,

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