

PLASTICS M&A QUARTERLY

H1 2017



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H1
17


PMCF Transaction Announcements




has been acquired by




PACKAGING: INDUSTRIAL & MEDICAL
Injection Molding
Company Sale to Strategic Buyer




has been acquired by



COLORANTS & DIES
Raw Materials
Company Sale to Strategic Buyer



DLH Industries
has merged with



a portfolio company of



MORGENTHAUER
PRIVATE EQUITY

ENGINEERED COMPONENTS
Injection Molding and Extrusion
Company Merger with Strategic Partner

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Our dedicated Plastics and Packaging Team has deep industry knowledge and advises niche leaders across a wide range of processes including thermoforming, sheet and film extrusion, blow molding, injection molding, and resin and color compounding. Offering a depth of advisory services, the Team’s senior bankers are involved in every step of the transaction to ensure clients meet or exceed their sale, acquisition, financing, and strategic growth objectives. PMCF focuses on building long term consultative relationships as a trusted advisor to shareholders.

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H1 2017 Market Summary & Outlook

H1 2017 plastics and packaging M&A volume surged above H1 2016, by 19 deals or 12%, reflecting a strong start to the year for buyers and sellers focused on the industry. The first six months of the year recorded 180 deals vs. 161 in the same period for 2016. Keeping in mind 2016's very healthy level of M&A activity, which was slightly above the average deal count for the last four years, 2017 is pacing to potentially be the highest year for deal making since 2012.

Key trends supporting this higher volume include the sustained and aggressive presence of private equity, up slightly overall, but the story in 2017 has been more centered on strategic buyers. For the last two years growth in M&A deal count has been driven by private equity; however, in H1 2017 strategic buyers came off the sidelines increasing their activity by 20%. These strategic buyers were most active in more fragmented sectors including profile and tube extrusion and composites.

From a global viewpoint, North America recorded higher activity levels than Europe which may have reflected some concerns regarding the still unknown long term impacts of Brexit on the EU and its key members' economies. Domestic activity, including foreign acquirers, totaled 37% of activity in H1 2017 vs 31% in H1 2016. US buyers were also active in reaching out overseas, recording a significant 77% increase in cross-border acquisitions and potentially reflecting leverage of strong balance sheets created over the last several years of US economic growth.

Key H1 2017 M&A trends included the following:

- Overall growth in deal volume led by the specialty sector (variety of processing types), film, and blow molding
- Robust buyer focus on plastic packaging with deal volume increasing 23%. Of note flexible packaging volume was sustained at an elevated level, but aggressive financial and strategic buyers substantially increased rigid packaging M&A
- The average EV/EBITDA multiple for publicly traded plastics & packaging companies increased from 10.1x at the end of Q4 2016 to 10.8x in Q2 2017

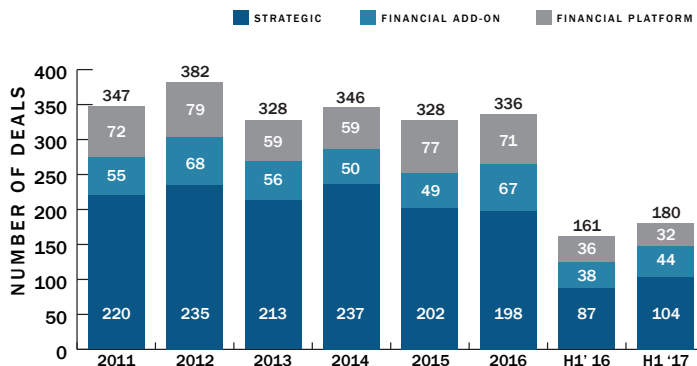
Key H1 2017 transactions included the following:

- BWAY's (Stone Canyon) purchase of Mauser for 10.5x EBITDA (\$2.3 billion)
- RPC's (LSE: RPC) acquisition of Letica for 11.2x EBITDA (\$490 million)
- Strategic Value Partners combining their Klockner Pentaplast and Linpac platform businesses
- Nordson's (NASDAQ: NDSN) acquisition of Vention's Advanced Technologies medical device business for 14.6x EBITDA (\$705 million)
- Silgan's (NASDAQ: SLGN) purchase of Westrock's closure business for 9.6x EBITDA (\$1 billion)
- Specialty custom injection molder Precision Components, Inc.'s (PCI) sale to private equity group MPE Partners
- Leonard Green Partners' purchase of Charter NEX for \$1.5 billion
- PPC Industries' (Kohlberg & Co.) purchase of Pexco

The outlook for plastics and packaging M&A remains positive for 2017 from our viewpoint. Supporting factors include the segment's long term stability through economic cycles (particularly packaging and medical), large platforms in buy and build mode, aggressive strategic buyers, sustained private equity interest, and very seller friendly pricing levels encouraging additional targets to come to market. However, while still robust today, buyers and sellers need to consider the length of the current economic and M&A cycle in their strategy and planning as it will eventually revert.

Sector	2015	2016	H1 '16	% of Total	H1 '17	% of Total	'16-'17 Change	% Change
Blow Molding	22	29	11	7%	13	7%	2	18%
Injection Molding	102	91	47	29%	45	25%	-2	-4%
Film	59	73	35	22%	41	23%	6	17%
Resin / Color & Compounding	54	43	22	14%	21	12%	-1	-5%
Sheet & Thermoforming	30	33	15	9%	13	7%	-2	-13%
Specialty	61	67	31	19%	47	26%	16	52%
Total	328	336	161	100%	180	100%	19	12%

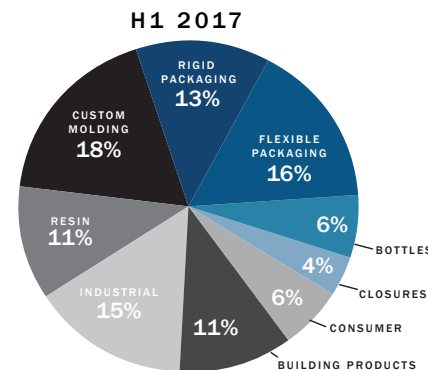
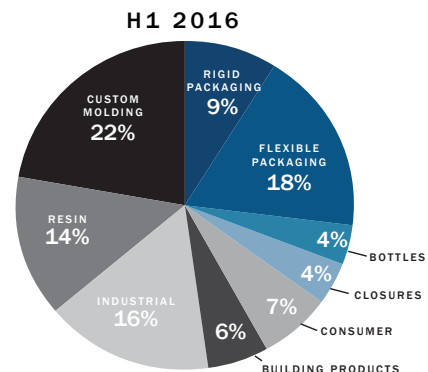
TRANSACTIONS BY BUYER TYPE



TOTAL PLASTICS M&A BY QUARTER

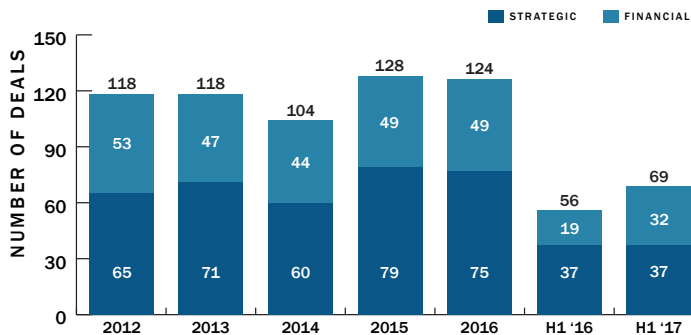
Q1 '16	Q2 '16	Q3 '16	Q4 '16	Q1 '17	Q2 '17
79	82	89	86	96	84

TRANSACTIONS BY PRODUCT SEGMENT



Global Plastic Packaging M&A

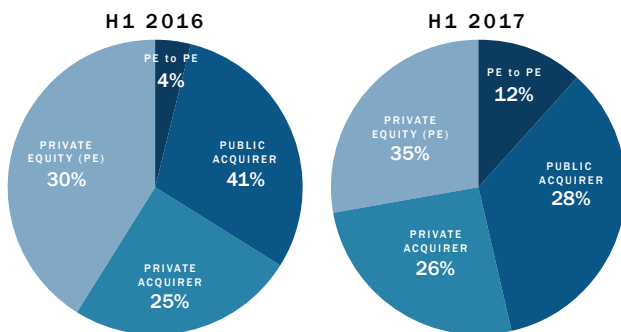
TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

	H1 2016	H1 2017
Food & Beverage	29	37
Industrial	11	17
Consumer	11	5
Construction	-	1
Medical	5	9
Automotive	-	-
Transportation	-	-
Electronics	-	-
TOTAL	56	69

BUYER TYPE



PACKAGING TRANSACTION DETAIL

	H1 2016		H1 2017	
	#	% Packaging	#	% Packaging
Rigid	15	27%	23	33%
Flexible	29	52%	29	42%
Bottles	6	11%	10	14%
Caps & Closures	6	11%	7	10%
TOTAL	56	100%	69	100%

TRENDS IN M&A

- H1 2017 plastic packaging volume totaled 69 transactions, up 13 deals (or 23%) versus the 56 recorded in H1 2016. As 2016 was the 2nd year of record high packaging deal volume, H1 2017's activity reflects the sustained and robust interest in the sector
- Notable trends supporting and driving the increase for plastic packaging included highly aggressive buying activity from private equity. Versus H1 2016 these investors completed 13 more deals (a 68% increase) in H1 2017. Strategic buyer deals did not increase, but remained flat to 2016's notable levels
- Rigid packaging M&A, including bottles and closures, drastically increased showing buyers' focus on this attractive segment. H1 2017 recorded 40 of these transactions vs 27 in H1 2016. Reflecting the intense competition to win rigid packaging deals strategic and financial buyers increased by similar amounts
- Another notable trend was private equity owners selling to another private equity group, which tripled year over year as a percentage of the deals

FEATURED SECTOR TRANSACTIONS

February 2017 - RPC Group (LSE:RPC) continued its streak of acquisitions prevailing over other buyers to purchase privately-held Letica Corp. of Rochester Hills, MI. Starting in injection molded containers, primarily 5 gallon pails, Letica continually expanded over several decades of family ownership to also offer packaging via thermoforming, paper-forming, and sheet extrusion. Today, Letica products include round, non-round, UN packaging, and thin wall containers such as plastic cold cups and paper hot cups. RPC paid \$490 million for Letica which represented an EBITDA multiple of 11.2x and a revenue multiple of 1.4x. An earnout of \$150 million is also possible for Letica's shareholders based on performance thresholds.

June 2017 - WestRock (NYSE:WRK) divested its plastic dispensing closures business to Silgan (NASDAQ:SLGN). The business unit, known as the Home, Health, & Beauty segment includes 13 facilities primarily in North America, but also with a footprint in Europe, South America, and Asia. Key product lines include triggers, pumps, and dispensing closures sold to global brand names in consumer goods. Silgan has continued to be aggressively focused on utilizing M&A to advance its plastics division's positioning. The transaction pricing of slightly over \$1 billion appears to reflect this posture at a multiple of nearly 10x EBITDA.

April 2017 - Leonard Green & Partners, a large private equity group based in Los Angeles, marked its first major entrance into consumer oriented packaging via the acquisition of Charter NEX Films from Pamplona Capital. Charter NEX is a flexible packaging manufacturer, primarily for blown film, focused on serving the food and medical segments. The Company has six North American facilities and is headquartered in Wisconsin. Pamplona acquired Charter NEX in late 2014 and held the investment for approximately 2.5 years, reflecting a trend of shorter hold periods for some financial buyers. The purchase price, a reported \$1.5 billion, reflected the premium highly desirable packaging platforms can command in the current seller's market for M&A.

Sources: P&M Corporate Finance, Plastics News, Company Reports, Bloomberg

Global Injection Molding M&A

TRENDS IN M&A

- Transaction volume involving injection molders was approximately flat to the first six months of 2016, but remained at a historically elevated level with strong buyer interest
- While financial buyers activity declined slightly, trading activity between investors for injection molding more than doubled as a percentage of the overall deal count. This is another indicator that these investors are more focused on injection molding versus 2013 and 2014 which reflected much lower interest
- Food & beverage transactions tripled in H1 2017 vs H1 2016 due to a high number of rigid packaging transactions. For the injection molding sector packaging products and medical components or assemblies remain highly sought after by both strategic buyers and generally command more premium valuation multiples

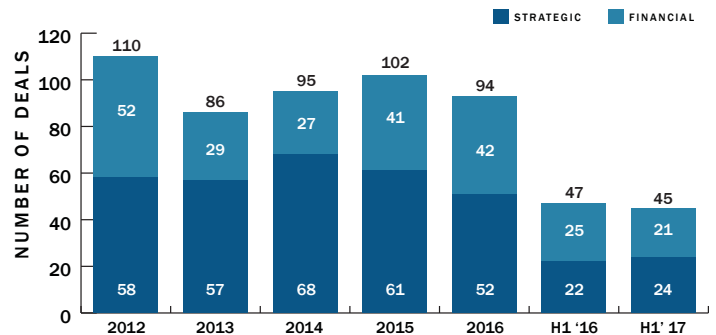
FEATURED SECTOR TRANSACTIONS

January 2017 – Newell (NYSE: NWL) sold its Rubbermaid storage totes business line to privately-held United Solutions Corp. of Leominster, MA. As part of the transaction, the parties entered a five-year licensing agreement for the Rubbermaid brand on the products. The totes line is sold via retail channels into the consumer segment with sales of approximately \$70 million. The divestiture is a result of Newell’s strategic initiative to simplify its overall portfolio of products.

January 2017 – The Riverside Co. private equity group purchased Xcentric Mold & Engineering for an undisclosed purchase price. Xcentric utilizes advanced manufacturing capabilities including automation and proprietary software to produce low volume custom tooling and injection molded parts including prototype units. Commenting on Xcentric’s capabilities, Riverside Managing Partner Loren Schlachet stated, “Compared to traditional injection molders, they’re able to produce better products at lower prices in less time. It’s a winning formula.” As part of its investment strategy Riverside plans to increase the company’s sales and marketing capabilities to expand Xcentric’s customer base.

April 2017 – Berkshire Hathaway-owned (NYSE: BRK) Marmon Engineered Components acquired MI-based PRISM Plastics from Altus Capital Partners. PRISM manufactures specialized components for the automotive, industrial, and medical sectors. Marmon was acquired by Berkshire Hathaway in 2008 and makes components for a wide range of end markets including food, retail, and highway technologies. During its Altus ownership, PRISM expanded its operational capabilities with the acquisition of Tech Molded Plastics. Rod Bricker, President and CEO of PRISM, will continue to lead the business post-acquisition.

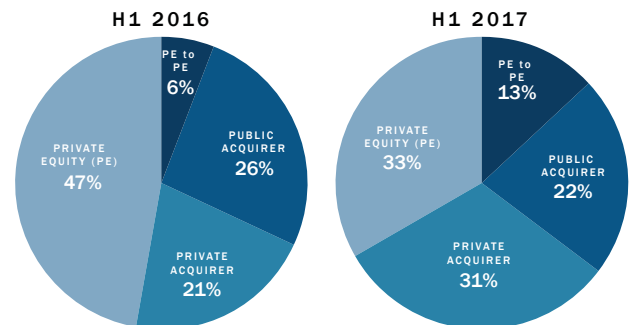
TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

	H1 2016	H1 2017
Food & Beverage	3	10
Industrial	13	9
Consumer	9	9
Construction	1	1
Medical	9	4
Automotive	10	9
Transportation	1	1
Electronics	1	2
Total	47	45

BUYER TYPE

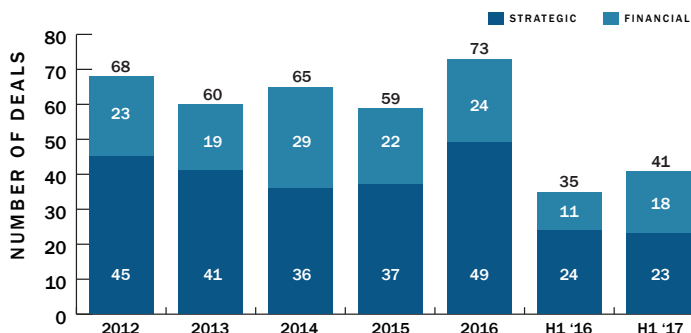


CROSS-BORDER DETAIL

	H1 2016	H1 2017
U.S.-to-U.S.	21	14
U.S.-to-Foreign	3	3
Foreign-to-U.S.	2	2
Foreign	21	26
Total	47	45
Distressed	1	3

Global Film M&A

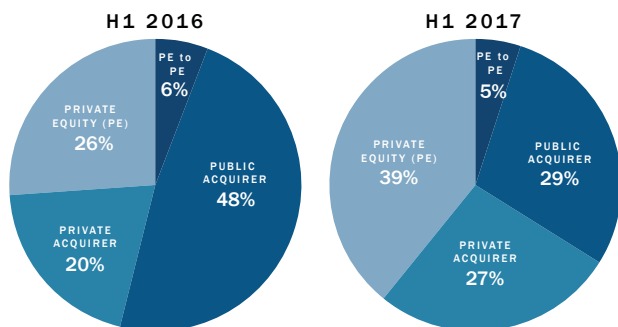
TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

	H1 2016	H1 2017
Food & Beverage	19	17
Industrial	6	11
Consumer	6	5
Construction	-	1
Medical	3	4
Automotive	-	1
Transportation	-	-
Electronics	1	2
Total	35	41

BUYER TYPE



CROSS-BORDER DETAIL

	H1 2016	H1 2017
U.S.-to-U.S.	7	10
U.S.-to-Foreign	5	2
Foreign-to-U.S.	3	1
Foreign	20	28
Total	35	41
Distressed	-	-

TRENDS IN M&A

- 2016 reflected a five plus year high in M&A activity for film driven by steady private equity buying and aggressive and increased strategic buyers. However, H1 2017 is pacing to potentially exceed 2016 with financial buyer transactions up 7 deals (or 64%) year over year through the first six months of the year
- Half of the financial acquisitions in H1 2017 were new platforms, reflecting new investor groups entering the film segment vs add-ons to existing investments. In H1 2016 platforms were roughly one third of financial buyer deals
- From an end market perspective, the increased transaction volume was driven primarily by higher deal activity in the industrial sector with relatively flat deal flow in the food & beverage sector
- Cross-border activity in and out of the U.S. was down notably which could potentially be related to the domestic & EU political environments, but is most likely simply an interim dip which may revert by year end

FEATURED SECTOR TRANSACTIONS

February 2017 - Morgan Stanley made a significant platform investment via the acquisition of privately-held Fisher Container Corp. of Buffalo Grove, IL. Fisher manufactures and converts flexible plastic films, pouches, and bags for medical, food, and industrial markets. The company has extrusion, converting, and flexographic printing to create wrap, shrink, sleeves, pouches including moisture and oxygen barriers. Specific medical products include clean room produced films, bags, and pouches. Following the investment, the new platform completed its first add-on acquisition in June 2017. Fisher acquired privately-held Packaging Products Corp LLC of Mission, KS a flexographic printer and converter of flexible films, bags, and pouches primarily used for food packaging.

May 2017 - Avery Dennison (NYSE: AVY) announced the acquisition of Ireland-based Finesse Medical. Finesse develops advanced technologies in wound care and skin treatment including skin barrier film, barrier cream, hydrocolloids, polyurethane film, IV/tracheostomy, elasticated tubular bandage, silicone foam dressings, and silicone foam heel products. Avery Dennison manufactures a wide range of technical wraps and films through operations in more than 50 countries with more than 25,000 employees globally. Commenting on the acquisition, Mitch Butier, Avery Dennison's president and CEO. "This acquisition will accelerate the achievement of our long-term strategic and financial goals for our industrial and healthcare materials segment."

April & June 2017 - Transcendia completed the acquisition of Marshall Plastic Film for an undisclosed amount just two months prior to the company's own sale which occurred between two large private equity groups. Marshall manufactures film and converted products (including bags, jackets, liners, etc.) used in healthcare, food, industrial, automotive, and retail applications and is based in Martin, MI. Transcendia services healthcare, packaging, and industrial applications via blown and cast film, coatings, and a full range of converting capabilities via over 20 locations primarily in the Midwest and internationally in Europe. Goldman Sachs acquired Transcendia from The Jordan Company. The Jordan Company acquired Transcendia when it was known as Transilwrap and was active as an owner re-branding the organization and completing multiple acquisitions that transformed the Company with an international footprint. This is the third consecutive private equity owner for the business.

Sources: P&M Corporate Finance, Plastics News, Company Reports

Global Resin and Color & Compounding M&A

TRENDS IN M&A

- Transactions involving resin and color & compounding suppliers declined to a multi-year low point in 2016 and H1 2017 is reflecting a continuation of this trend
- Lower resin prices are likely one driver of the decline in overall activity. Areas of higher interest for buyers within the sector have been color, compounding, additives and other specialty products vs commodity virgin resin producers with these types of targets increasing as a percentage of the overall deal count
- Foreign buyers increased their focus on the U.S. in H1 2017 with four transactions as compared to none in the first half of 2016. Additionally, U.S. buying activity overseas also more than doubled as buyers were potentially seeking international footprints as a strategic initiative for growth

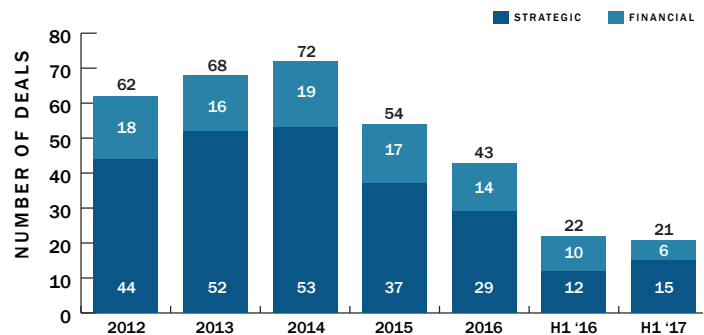
FEATURED SECTOR TRANSACTIONS

January 2017 – In a deal between two European players, Belgium-based Solvay announced the divestiture of its Formulated Resin business to Germany's Altana AG. The Formulated Resins portfolio primarily includes the branded CONAP® epoxy resin and polyurethane product systems and serves electronics, electrical, and specialty adhesives markets. The divestiture includes the manufacturing and R&D facility in Olean, NY and the business generates sales of approximately \$20 million. Solvay's strategy is to focus on its core polymer additives business.

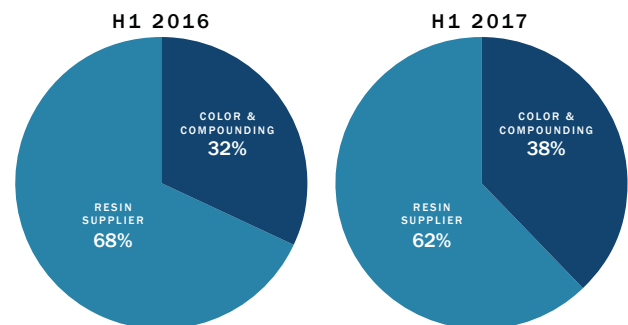
February 2017 – PolyOne has announced the acquisitions of two specialty materials companies: IN-based Silcotec, and Germany-based Comptek Kunststoffverarbeitung. Silcotec employs 30 people and manufactures silicone-based color masterbatch concentrates. Comptek has a workforce of 20 people and produces color compounds and concentrates for fluoropolymers and other high-end specialty resins. PolyOne continues to be an active acquirer having purchased Kraton Performance Polymers in 2016 and two composite businesses from Gordon Holdings.

June 2017 - PolyOne continued its acquisition spree in H1 2017 via the acquisition of Rutland Plastics Technologies Inc., headquartered in Pineville, NC which was acquired from private equity group The Riverside Co. Rutland manufactures plastic additives including plastisols which offer protective and functional coatings (UV, weatherability, microbial resistance, etc.) in hundreds of applications. Rutland also offers a broad range of specialty inks. In addition to the NC location, the company has a JV operation in India.

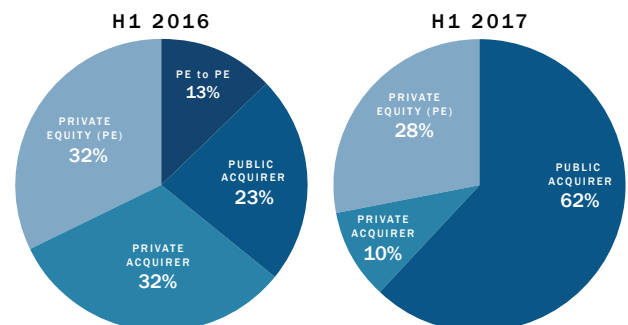
TRANSACTIONS BY BUYER TYPE



TRANSACTION SECTOR DETAIL



BUYER TYPE

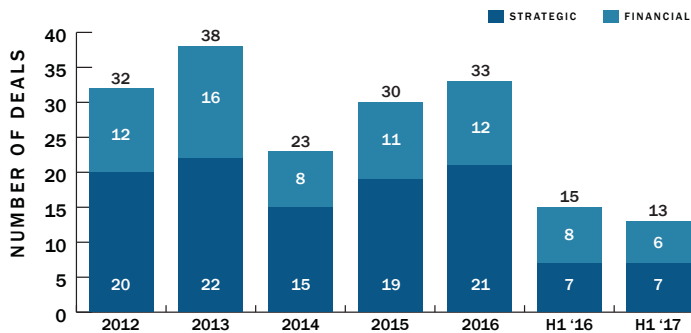


CROSS-BORDER DETAIL

	H1 2016	H1 2017
U.S.-to-U.S.	7	4
U.S.-to-Foreign	2	5
Foreign-to-U.S.	-	4
Foreign	13	8
Total	22	21
Distressed	-	-

Global Sheet and Thermoforming M&A

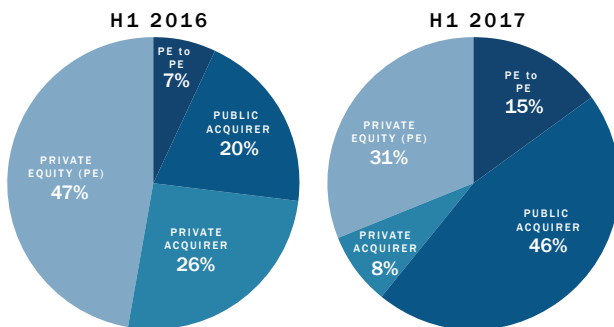
TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

	H1 2016	H1 2017
Food & Beverage	4	6
Industrial	8	1
Consumer	3	-
Construction	-	3
Medical	-	2
Automotive	-	-
Transportation	-	1
Electronics	-	-
Total	15	13

BUYER TYPE



CROSS-BORDER DETAIL

	H1 2016	H1 2017
U.S.-to-U.S.	8	6
U.S.-to-Foreign	1	1
Foreign-to-U.S.	1	2
Foreign	5	4
Total	15	13
Distressed	1	-

TRENDS IN M&A

- While sheet and thermoforming M&A in H1 2017 was slightly down vs H1 2016 the sector is receiving robust buyer interest and was characterized by several mega deals at premium valuations. With 2017 currently trending to a deal level of approximately 30 transactions this reflects a healthy level of M&A for this relatively consolidated sector
- Financial and strategic buyers both remained active and focused on sheet and thermoforming, with H1 2017 reflecting only a modest decline in financial buying activity
- Similar to other sectors, sheet and thermoforming reflected an increase in transactions with both a private equity seller and buyer. This reflects the historical increase in financial buyers, now selling to realize gains, and the aggressive nature of new investors focused on plastics and packaging
- While food and beverage continues as a primary end market for suppliers in the sector, there were also a notable increased level of deals in more niche applications including construction and medical in H1 2017

FEATURED SECTOR TRANSACTIONS

February 2017 - Sonoco Corp. (NYSE: SON) continued its product portfolio optimization, following the sale of its blow molding business to Amcor in late 2016, via the acquisition of Peninsula Packaging. Peninsula, owned by Odyssey Investment Partners private equity and headquartered in Exeter, CA is a thermoformer primarily serving produce, bakery, food processor, confectionery, convenience, and deli customers. Key product lines include trays, clamshells, tubs, and other containers. Sonoco paid \$230 million for Peninsula which represented a revenue multiple of approximately 1.2x. Odyssey purchased Peninsula in 2010 and completed one add-on acquisition during its roughly 7 year ownership period.

April 2017 - Klöckner Pentaplast, the Germany-based global leader in rigid and flexible films, announced the acquisition of Linpac Group to create a combined company with more than \$2 billion in annual sales and 6,300 employees across 16 countries. Owner Strategic Value Partners private equity, having unsuccessfully attempted to sell Klöckner, elected to combine Linpac and Klöckner (which they also own) to create a larger and more diversified plastics platform. Linpac is a producer and converter of packaging including trays, containers, films, primarily for food service, and processing segments in Europe. Through its acquisition of Linpac, Klöckner will expand its technological capabilities and presence in the food industry and Linpac will benefit from Klöckner's global platform.

June 2017 - Thermoformer Faerch Plast A/S was acquired by large global private equity firm Advent International from private equity group EQT. EQT, which acquired Faerch in 2014, was an active owner in three years completing two add-on acquisitions including Sealed Air's European tray business. Sweden-based Faerch manufactures and supplies plastic packaging products for the food industry in Europe and internationally. The company offers plastic trays for cold foods and snacks, fresh meat, and ready meals plus accessories, including sealing films, absorbers, and lids; and semi-automatic sealing machines for use in shops and central kitchens.

Sources: P&M Corporate Finance, Plastics News, Company Reports

Global Blow Molding M&A

TRENDS IN M&A

- Driven by sustained buyer interest in rigid packaging, 2016 was the highest recorded year for blow molding M&A since 2012, up approximately 30% from the previous three years. For this year, despite a consolidated sector with limited target availability, H1 2017 is trending higher than H1 2016 reflecting the potential for a second very significant year of deal making for these companies
- Blow molders for industrial applications continued to drive segment volume as these suppliers doubled from 6 in 2015, to 11 in 2016, and are on pace to exceed this total based on H1 2017's total of 7 industrial transactions after just six months
- Private equity also continued as a very notable trend in the sector. While strategic buyers outnumbered or were equal to financial for 2012 to 2015, 2016 marked a change to a majority of investor backed deals. H1 2017 reflects their dominance as increasing with 62% of transactions private equity platforms or add-ons

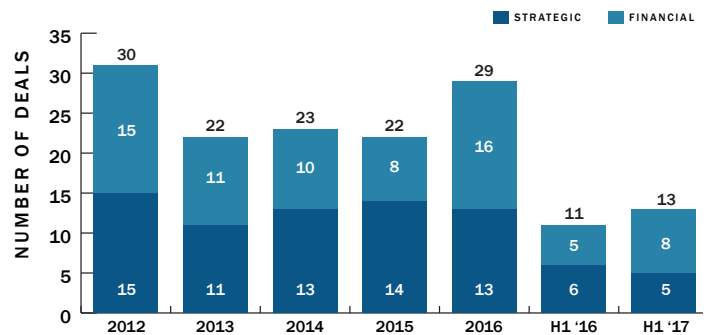
FEATURED SECTOR TRANSACTIONS

January 2017 – Speyside Equity announced the acquisition of Western Industries for an undisclosed amount. Western was previously owned by Graham Partners and includes facilities in Winfield, KS and Watertown, WI. The company is focused on large blow-molded OEM and consumer products including lawn and garden, home decor, automotive after market, and others. Western operates a variety of presses including large shot sizes up to 75 pounds. The company's capabilities include assembly, retail ready packaging, and an engineering group focused on product design and research.

February 2017 – Clayton, Dubilier & Rice, who acquired Mauser Group in 2014 for \$1.7 billion, divested their holding for \$2.3 billion to BWAY, a portfolio holding of Stone Canyon private equity. Mauser is an international industrial packaging leader, headquartered in The Netherlands, focused on plastic and metal drums, intermediate bulk containers, and other solutions. Mauser has approximately 100 locations globally with revenue of approximately \$1.6 billion. The acquisition was reportedly completed immediately prior to a planned IPO for Mauser. BWAY, acquired by Stone Canyon in 2016, is a domestic leader in rigid containers including a broad portfolio of metal and plastic items with 25 manufacturing locations.

April 2017 - In a second mega deal for blow molding public conglomerate Loews Corp. (NYSE: L) acquired Atlanta, GA headquartered Consolidated Container Company from private equity owner Bain Capital for \$1.2 billion. Consolidated is one of North America's largest blow molders and manufactures a broad range of bottles and containers as well as larger industrial packaging. CCC's key end markets include dairy, water, beverage, food, specialty chemical, automotive, and nutrition markets. It provides its products through distributors in the United States and internationally. Bain acquired CCC from Vestar private equity in 2012 for approximately \$800 million.

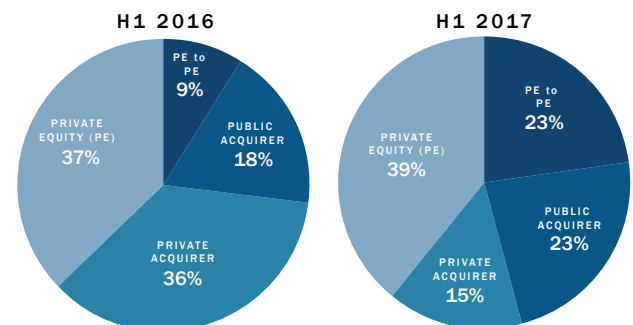
TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

	H1 2016	H1 2017
Food & Beverage	6	4
Industrial	4	7
Consumer	-	1
Construction	-	-
Medical	1	1
Automotive	-	-
Transportation	-	-
Electronics	-	-
Total	11	13

BUYER TYPE



CROSS-BORDER DETAIL

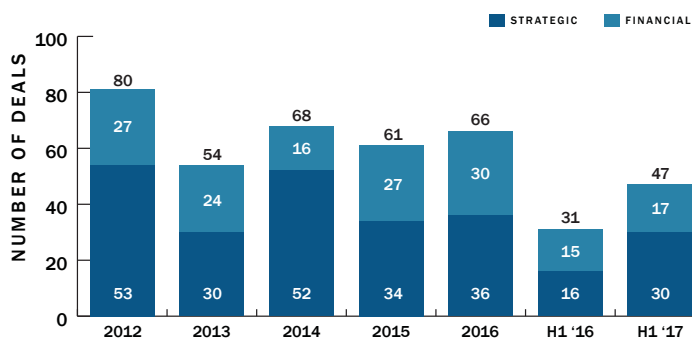
	H1 2016	H1 2017
U.S.-to-U.S.	4	6
U.S.-to-Foreign	2	1
Foreign-to-U.S.	-	1
Foreign	5	5
Total	11	13
Distressed	1	-

Other Global Plastic Processing Activity

TRENDS IN M&A

- M&A activity in H1 2017 involving other plastic process types, including rotational molding, foam, pipe & tube, profile extrusion, and composites, sharply increased to 47 deals – compared to 31 in H1 2016 (up over 50%)
- Financial buyers increased slightly from elevated 2016 levels, but strategic buyers drove the change in volume by nearly doubling year over year
- Industrial and construction sectors experienced the largest end market increases, combining for an increase of 13 deals year over year in the six month period
- Private acquirers are most active in this segment, perhaps reflecting the higher level of fragmentation and smaller deal opportunities, and accounted for approximately one-third of transactions in H1 2017

TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

	H1 2016	H1 2017
Food & Beverage	-	-
Industrial	12	18
Consumer	4	4
Construction	9	16
Medical	1	2
Automotive	3	2
Transportation	2	5
Electronics	-	-
Total	31	47

FEATURED SECTOR TRANSACTIONS

Extrusion

February 2017 – Two private equity owned leaders in specialty extrusion merged when PPC Industries (owned by Kohlberg & Co.) acquired Pexco LLC (formerly owned by Odyssey Partners). Both PPC and Pexco have been rapidly growing via acquisitions including a strong focus on medical extrusion. PPC acquired Kelpac Medical, Apollo Extrusion, VitalMed, and Xeridim Medical in the last several years while Pexco acquired Precision Extrusion.

Pexco designs, engineers, and fabricates a broad range of custom plastic extrusion products and also offers injection molding. Key end markets include medical, industrial, life science, commercial, and consumer markets. Pexco was formerly known as Filtrona Extrusion and changed its name in 2009.

Pipe & Tube

February 2017 – Privately-held Plastic Tubing Industries Inc. of Apopka, FL was acquired by Advanced Drainage Systems, Inc. (NYSE:WMS). Plastic Tubing manufactures high-density HDPE corrugated drainage pipes and fittings, single or double wall, from 3 inches to 24 inches in diameter. The company serves applications in agricultural, recreational, highway, and other industrial sectors. Advanced Drainage was formerly majority owned by American Securities before becoming a public company in 2014.

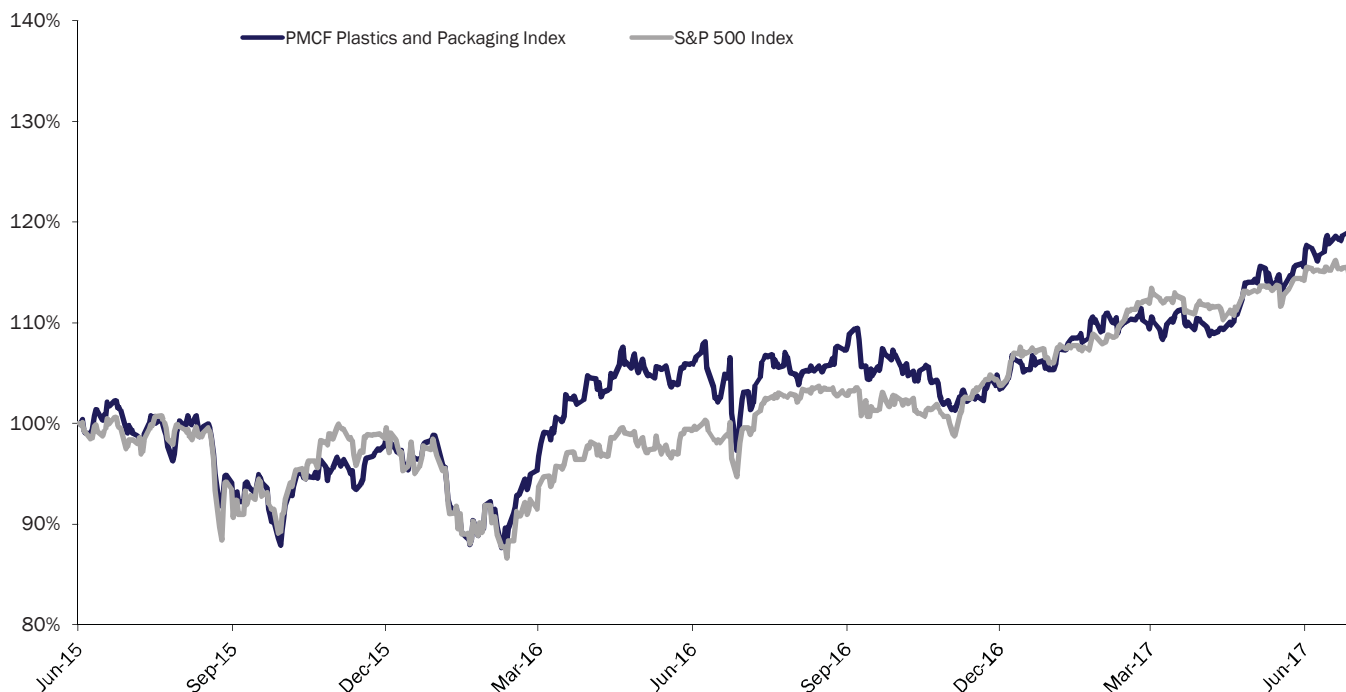
Rotomolding

January 2017 - Dutchland Plastics LLC, of Oostburg, WI, was sold by private equity group Squire Ridge to a new private equity owner A&M Capital. Dutchland offers a wide range of custom rotational molding products including large part items, foam filled, flexible PVC, and others. The Company has a wide range of assembling, finishing, and retail ready packaging options including the addition graphics, accessories, or non-plastic components. Dutchland serves agriculture, automotive, consumer, environmental, food and beverage, lawn and garden, and recreation industries.

Composites

May 2017 - Custom Composites LLC of Oklahoma City, OK was acquired by McClarin Plastics, Inc, owned by Blackford Capital private equity of Grand Rapids, MI. Custom Composites manufactures fiberglass products for the transportation, fire apparatus, chemical, automotive, aerospace, and industrial markets. Specific products include FRP composite and polypropylene tanks for fire trucks, storage solutions for various purposes, mixing, brine, and water tanks for food and beverage facilities and potable and underground tanks.

PMCF Plastics & Packaging Index

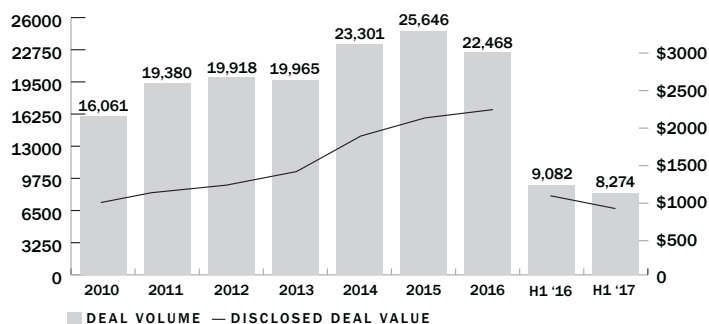


PMCF PLASTICS & PACKAGING STOCK MARKET INDEX VALUATION

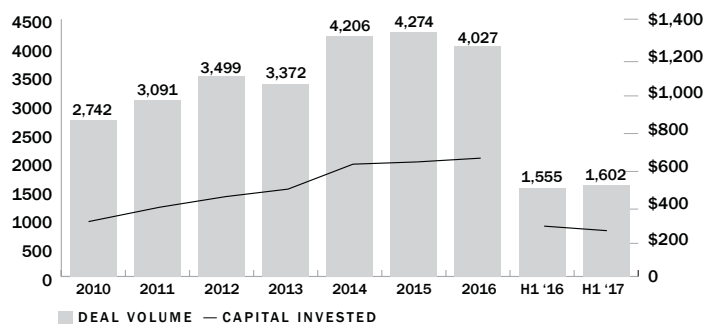
	Q2 '15	Q3 '15	Q4 '15	Q1 '16	Q2 '16	Q3 '16	Q4 '16	Q1 '17	Q2 '17
Revenue Multiple									
Average	1.4x	1.3x	1.3x	1.3x	1.4x	1.5x	1.5x	1.5x	1.6x
Median	1.3x	1.2x	1.2x	1.2x	1.3x	1.3x	1.4x	1.4x	1.4x
EBITDA Multiple									
Average	10.3x	9.8x	9.7x	9.6x	9.9x	10.1x	10.1x	10.3x	10.8x
Median	10.1x	9.8x	10.0x	9.5x	10.2x	10.5x	10.3x	10.1x	10.9x

- Plastics companies tracked in the PMCF Plastics & Packaging Index slightly outperformed the S&P 500 at the closing of Q2 2017, despite being below or in parity with the S&P 500 index through most of the first half of the year
- Average EV/EBITDA multiples increased from 9.9x in Q2 2016 to reach 10.8x in Q2 2017, demonstrating a continuation of robust valuation levels for the industry sector which have increased in each of the last three quarters

OVERALL M&A ACTIVITY (NORTH AMER. & EUROPE) (dollars in billions)



U.S. PRIVATE EQUITY INVESTMENTS (dollars in billions)



- In contrast to plastics and packaging activity specifically, global M&A deal making in 2016 reflected lower activity than 2015. M&A volume through H1 2017 reflected the potential for a further 20% annual decline as compared to 2016
- While North America M&A was lower, European volume led the decline potentially due to Brexit and longer terms concerns around the future of the EU
- H1 2017 reflects slightly higher overall private equity activity with a minor decline in total capital invested. Overall their undeployed capital and aggressiveness remains high

*Overall M&A activity Includes all transactions with at least one company based in North America or Europe
Sources: Capital IQ, Pitchbook, and PMCF Estimates. See page 12 for Index detail



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