

# PLASTICS M&A QUARTERLY

2018 YEAR IN REVIEW



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# Recent PMCF Transaction Announcements



Transparent Container  
Visual Packaging Solutions

has been acquired by



Rohrer

a portfolio company of



SHOREVIEW

**RETAIL  
PACKAGING**  
Company Sale to Private Equity Platform



GRAND TRAVERSE CONTAINER, INC.

has been acquired by



GREEN BAY  
PACKAGING INC.

**INDUSTRIAL & FOOD  
PACKAGING**  
Company Sale to Strategic Buyer



mp<sub>i</sub> MERCURY PLASTICS, INC.

has been acquired by



MASCO

**INDUSTRIAL  
SPECIALTY EXTRUSION**  
Company Sale to Strategic Buyer

## ABOUT PMCF

P&M Corporate Finance (“PMCF”) is an investment banking firm, focused exclusively on middle market transactions, with professionals in Chicago, Detroit, Denver, and globally in 27 countries through its international partner firm (Corporate Finance International®). PMCF was founded in 1995 and has successfully closed hundreds of transactions.

PMCF’s Plastics & Packaging Group has extensive industry knowledge and advises niche leaders and specialty companies across a wide range of plastics and packaging end markets. Offering a depth of advisory services, PMCF’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 serving as a trusted advisor to shareholders and providing unbiased advice over the short and long term.

PMCF is an affiliate of Plante Moran, one of the nation’s largest professional services firms.

## INVESTMENT BANKING SERVICES:

- Company Sales
- Mergers & Acquisitions
- Divisional Divestitures
- Capital Raising
- Strategic Assessments & Sale Planning

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# 2018 Market Summary & Outlook

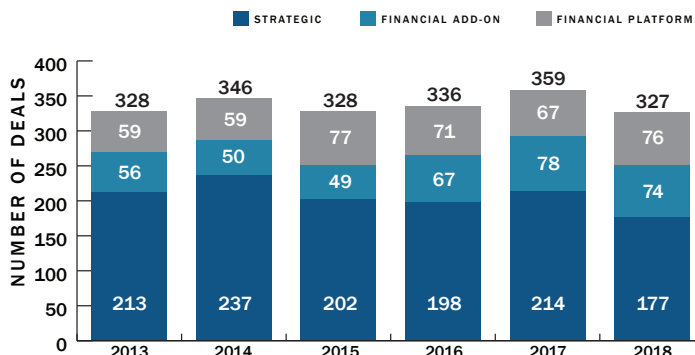
M&A activity in the plastics and packaging industries continued to be strong in 2018 with total deal volume of 327 transactions, representing yet another year exceeding 300 transactions on a global basis. Compared to a very strong 2017 (which represented a 5-year peak in plastics and packaging M&A activity), transactions in 2018 declined 32 deals or -9%. This decline was primarily attributable to lower activity in Q1 2018 which had 24 fewer transactions compared to the same time period in 2017. Despite the slight pullback in 2018, PMCF's proprietary industry research showed a healthy mix of both strategic buyer and private equity activity and a number of marquee transactions.

Historically, plastics and packaging M&A activity has been more heavily weighted towards strategic buyers, which represented ~63% of total transactions over the last 5 years. However in 2018, PMCF noted a dramatic shift towards private equity which reduced strategic buyers' share of total plastics and packaging transactions to 54%, the lowest level since PMCF began tracking data in the sector (10+ years). This shift was primarily a result of a modest increase the total number of private equity transactions (3.5%) coupled with a significant decline in strategic buyer transactions (-17.3%). In reviewing all of the sector data and in its regular course of business executing M&A transactions in the plastics and packaging industries, PMCF did not notice fewer strategic buyers or a pullback in interest level. PMCF did note growth in the number of private equity platforms and continued interest in the plastics and packaging industries by private equity.

Based on current data and trends, M&A activity in the plastics and packaging industries is expected to remain strong in 2019. Transaction multiples across many of the industry sectors don't appear to show any signs of retreating from elevated/peak levels which should continue to prompt "sellers" to explore company sales. PMCF continues to see a supply/demand imbalance between buyers and sellers, particularly with the increased private equity interest and investment. This imbalance coupled with strong credit markets and a large amount of buyer capital overall should help these seller favorable conditions to continue. The question is how long will this prolonged M&A market run for sellers last. Many thought it would subside by now and there are certainly some signs of potential future challenges including stock volatility, global trade, and political uncertainty. Right now and at least for the short term, the positives seem to outweigh the negatives.

Sector	2015	2016	2017	2018	'17 - '18 Change	'17 - '18 % Change
Blow Molding	22	29	28	29	1	4%
Injection Molding	102	91	103	83	-20	-19%
Film	59	73	65	69	4	6%
Resin / Color & Compounding	54	43	49	43	-6	-12%
Sheet & Thermoforming	30	33	28	39	11	39%
Specialty	61	67	86	64	-22	-26%
<b>Total</b>	<b>328</b>	<b>336</b>	<b>359</b>	<b>327</b>	<b>-32</b>	<b>-9%</b>

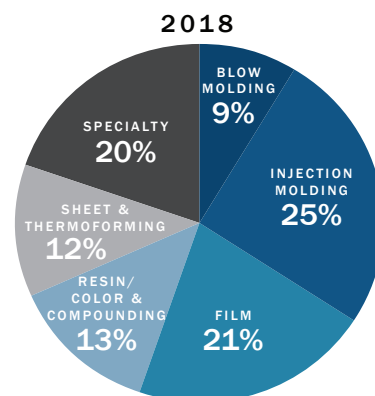
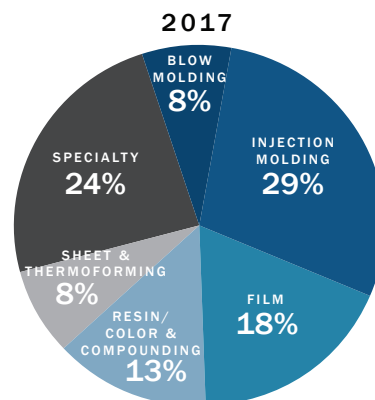
## TRANSACTIONS BY BUYER TYPE



## TOTAL PLASTICS M&A BY QUARTER

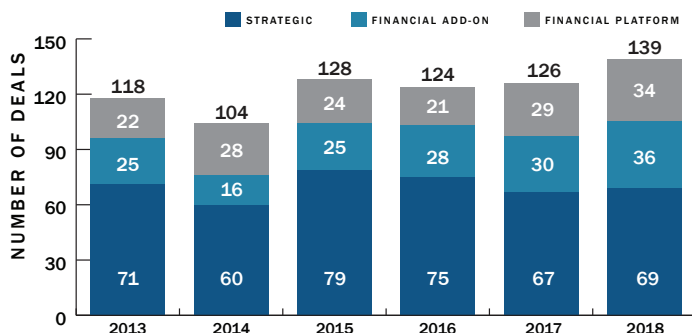
Q1 '18	Q2 '18	Q3 '18	Q4 '18
72	92	82	81
Q1 '17	Q2 '17	Q3 '17	Q4 '17
96	83	94	86
Q1 '16	Q2 '16	Q3 '16	Q4 '16
79	82	89	86

## TRANSACTIONS BY SECTOR



# Global Plastic Packaging M&A

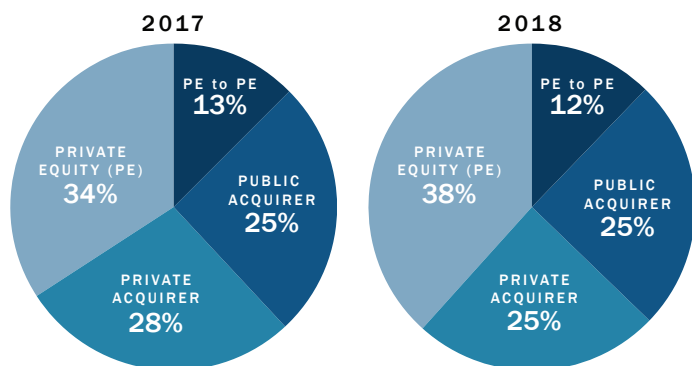
## TRANSACTIONS BY BUYER TYPE



## TRANSACTIONS BY END MARKET

	2017	2018	% Change
Food & Beverage	65	54	-17%
Industrial	27	35	30%
Consumer	20	35	75%
Construction	1	1	-
Medical	12	11	-8%
Automotive / Transportation	1	2	n/a
Electronics	-	1	n/a
Total	126	139	10%

## BUYER TYPE



## PACKAGING TRANSACTION DETAIL

	2017		2018		'17 - '18
	#	% Packaging	#	% Packaging	
Rigid	43	34%	36	26%	-16%
Flexible	50	40%	63	45%	26%
Bottles	21	17%	26	19%	24%
Caps & Closures	12	10%	14	10%	17%
Total	126	100%	139	100%	10%

## TRENDS IN M&A

- Plastic Packaging transactions grew to 139 deals, or 43% of total plastic deal volume, which represents a 10% increase over 2017 levels and highlights continued strong buyer interest in the sector overall
- The 2018 growth was primarily driven by increased Flexible Packaging transactions which were at multi-year highs
- A shift in buyer dynamics occurred as the mix of deals completed by financial buyers increased to >50% of total packaging deal volume, up 4% from 2017. This represents the first time financial buyers have outpaced strategic buyers in global Plastic Packaging
- M&A activity in Food & Beverage declined by 11 deals year-over-year, returning to historical averages, while Industrial and Consumer deals experienced significant increases of 30% and 75%, respectively

## FEATURED SECTOR TRANSACTIONS

**November 2018** - PPC Flexible Packaging LLC, a portfolio company of Morgan Stanley Capital Partners, acquired Payson, Utah-based Temkin International. Temkin was founded in 1980 and manufactures high-end packaging products in roll-stock, stand-up pouches, gusseted bags, plant & herb sleeves, and rigid containers. The Company operates state-of-the-art facilities in Payson, Utah and Bogota, Columbia with offices in Florida and Canada. Temkin is known for their fast time to market and the Company is AIB certified. Kevin Keneally, CEO of PPC Flexible, said, "We are thrilled to have the outstanding team at Temkin International join the PPC family. Danny Temkin and Lynn Abplanalp have assembled a world-class manufacturing, pre-press and graphics operation recognized industry wide for its innovation, service and quality." With 500+ employees and spanning 3 countries, PPC hopes Temkin will expand its geographic footprint to South America and provide them with deeper capabilities in their respective markets.

**August 2018** - Amcor Limited (ASX:AMC) announced the merger with Bemis Company, Inc. (NYSE:BMS) in an all stock combination valued at \$6.9 billion or 11.9x EBITDA. Serving the food and beverage, consumer products, healthcare and other markets, Bemis Corporation offers multilayer polymer, blown, and cast film structures as well as injection molding plastic, thermoformed plastic, and folding carton packaging products. The Company is headquartered in Neenah, WI and employs over 16,500 people worldwide. Amcor is a global leader in sustainable packaging solutions and supplies a broad range of packaging products into the food, beverage, healthcare, and personal care markets. Amcor's CEO, Ron Delio commented, "Amcor identified flexible packaging in the Americas as a key growth priority and this transaction delivers a step change in that region."

**August 2018** - AptarGroup Inc. (NYSE:ATR) acquired CSP Technologies, a subsidiary of parent company Wendel (ENXTPA:MF) for \$555 million. Headquartered in Auburn, AL, CSP Technologies is a global provider of vials, films, molded components and trays for the healthcare, diagnostic, and food safety end-markets. With 80+ employees, 400+ worldwide patents, 6 worldwide locations, and ~1 billion products shipped annually, CSP Technologies provides active packaging technology based on proprietary material science expertise. "We look forward to growing the existing business in the Pharma and Food Safety markets, and leveraging their active packaging and material science know-how in other end markets. Together we will continue to develop value-creating, differentiated solutions as a global leader in packaging solutions," said Stephan Tanda, CEO and President of AptarGroup.

Sources: Capital IQ, PitchBook, Thomson Reuters, Company Reports, PMCF

# Global Injection Molding M&A

## TRENDS IN M&A

- Despite pulling back deal activity by 19% from 2017 highs, Injection Molding continues to be the most active processing type for plastics M&A with 83 transactions reported in 2018
- Automotive related transactions contributed ~75% of the decline in Injection Molding volume, while Food & Beverage, Electronics, and Industrial also experienced a decline in volume during 2018. The Consumer and Medical sectors reported increases in deal volume
- Private equity buyers remained active in the sector through 2018, increasing their deal count from 44% of the mix in 2017 to 55% in 2018
- A large number of add-on investments completed by private equity platforms also contributed to the higher mix of M&A activity in 2018, with 24 add-on transactions which nearly matched multi-year high in 2017

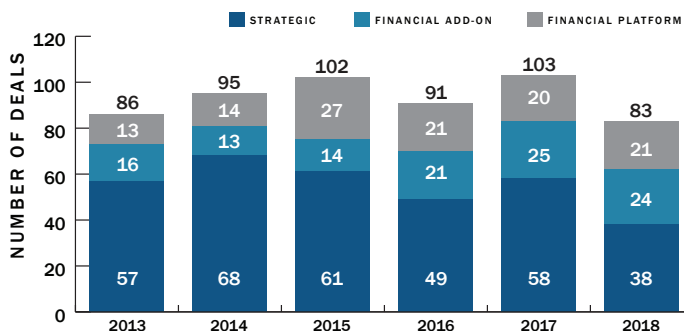
## FEATURED SECTOR TRANSACTIONS

**October 2018** – Norwest Equity Partner sold Quadion LLC (d.b.a. Minnesota Rubber and Plastics) to KKR & Co. Inc. (NYSE:KKR). Minnesota Rubber and Plastics (“MRP”) manufactures products for the medical device, transportation, water, and food & beverage markets. MRP is a leader in injected molded plastics and elastomers and thermoplastic solutions, with over 1,000 custom formulations in rubber, plastic, and silicone. “We have been very impressed by MRP’s innovative technologies and differentiated solutions... and tremendous technical resources committed to delivering market leading innovations for their customers. We’re proud to support the Company and see considerable opportunity for it to continue to grow,” said Pete Stavros, Member of KKR. MRP was founded in 1945 and is a preferred partner for industry leaders across North America, Europe, and Asia.

**July 2018** – Private equity firm Graham Partners announced the acquisition of Medbio Inc. Medbio was founded in 2004 and is headquartered in Grand Rapids, Michigan. The Company provides contract manufacturing services for the medical and biotech industries and is currently building products for the orthopedic, cardiovascular, ophthalmology, neurology, and biotechnology OEMs. The company provides plastic injection molding and insert molding services, specializing in micro molding, medical grade thermoplastics, implantable grade thermoplastics, Kistler cavity-pressure sensors, and automation. “Medical is a new platform business,” Joe Heinmiller, Graham managing principal, told Plastics News in a phone interview. “We have a history of investing in plastics processing, and this is the latest.”

**June 2018** – Morgan Stanley Capital Partners announced the successful acquisition of Comar, LLC, private equity firm Graham Partners. Comar is headquartered in Voorhees, NJ and operates in the injection molding sector, producing custom solutions primarily for the healthcare and wellness industries. The Company has eight manufacturing facilities in the U.S. and Puerto Rico, ensuring coast-to-coast coverage. Eric Kanter, Managing Director at Morgan Stanley, added, “We are excited to invest in Comar, which is a premier engineered packaging and dosing solutions provider in the U.S. Graham Partners, the prior sponsor, has invested in a world-class management team who has targeted highly attractive end markets and best in class capabilities. We look forward to supporting the talented management team during the coming years of organic and acquisition-fueled growth as the Company executes its strategy to develop increasing exposure to medical/drug delivery products.”

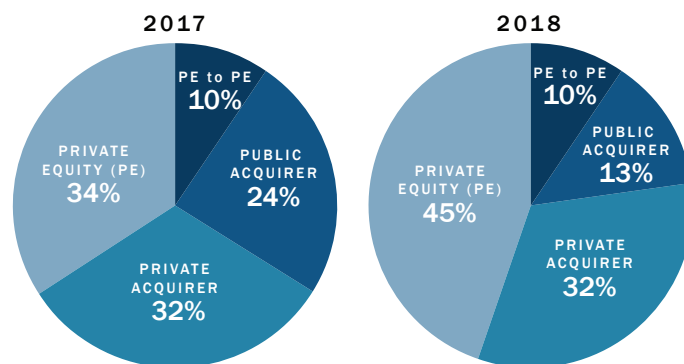
## TRANSACTIONS BY BUYER TYPE



## TRANSACTIONS BY END MARKET

	2017	2018	% Change
Food & Beverage	13	10	-23%
Industrial	25	23	-8%
Consumer	19	21	11%
Construction	2	2	-
Medical	11	14	27%
Automotive / Transportation	25	10	-60%
Electronics	8	3	-63%
Total	103	83	-27%

## BUYER TYPE

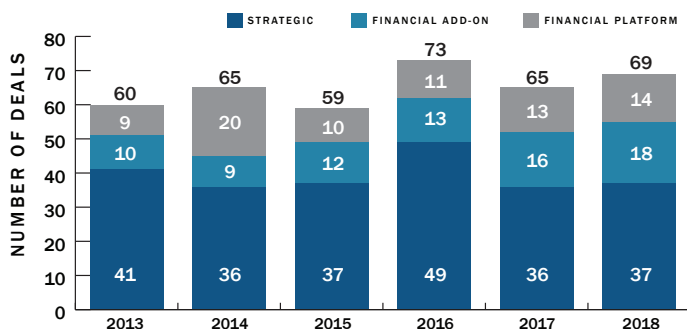


## CROSS-BORDER DETAIL

	2017	2018	% Change
U.S.-to-U.S.	30	30	-
U.S.-to-Foreign	7	5	-29%
Foreign-to-U.S.	5	5	-
Foreign	61	43	-30%
Total	103	83	-19%

# Global Film M&A

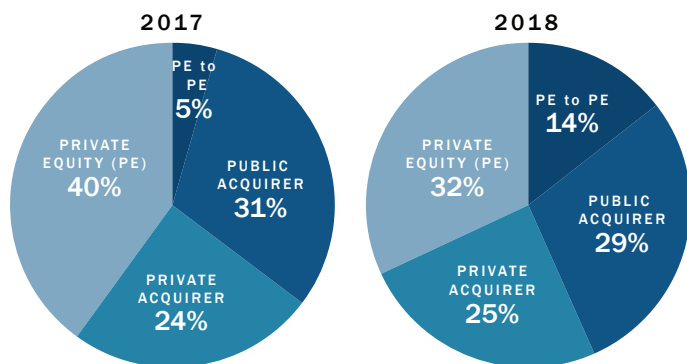
## TRANSACTIONS BY BUYER TYPE



## TRANSACTIONS BY END MARKET

	2017	2018	% Change
Food & Beverage	30	25	-17%
Industrial	16	22	38%
Consumer	9	13	44%
Construction	1	1	-
Medical	5	4	-20%
Automotive / Transportation	2	3	50%
Electronics	2	1	-50%
Total	65	69	6%

## BUYER TYPE



## CROSS-BORDER DETAIL

	2017	2018	% Change
U.S.-to-U.S.	16	25	56%
U.S.-to-Foreign	6	3	-50%
Foreign-to-U.S.	2	4	100%
Foreign	41	37	-10%
Total	65	69	6%

## TRENDS IN M&A

- The Film segment saw an increase in M&A activity in 2018, up 4 deals or 6% year-over-year driven primarily by increased activity in Flexible Packaging
- The Food & Beverage, Industrial, and Consumer sectors continue to drive the majority of the deal volume in the sector, comprising 60 of the 69 deals in 2018. While Food & Beverage is still the clear leader in terms of volume, the sector decreased by 5 deals or 17% from 2017
- Film saw a shift in cross-border volume as deals completed by domestic buyers increased from 16 to 25 deals from 2017 to 2018 while foreign buyers declined from 41 to 37 deals over the same period
- Transactions involving both a private equity buyer and seller (PE-to-PE) increased from 5% of the Film volume in 2017 to 14% in 2018, which included 6 platform and 4 add-on transactions

## FEATURED SECTOR TRANSACTIONS

**November 2018** – Tekni-Plex has acquired Beyers Plastics from investment company FAMO N.V. Beyers Plastics is a Class 7 extruder and converter of polyethylene (PE) film. “The acquisition of Beyers Plastics allows us to expand our portfolio of cleanroom-produced pharmaceutical and medical flexible packaging products. For the first time, we will have bag converting capability, as well as PE blown film extrusion,” said Joe Horn, senior vice president and general manager, global, Tekni-Films. “The acquisition supports our goal of expanding our offerings in the pharmaceutical and healthcare space.” Beyers Plastics was founded in 1970 and supplies flexible packaging solutions to a majority of the world’s Top 10 pharmaceutical companies and other blue-chip companies. The Company is ISO 9001-2008 certified and has a GMP oriented production. The completed transaction marks Tekni-Plex’s 10th in four years.

**August 2018** - Graham Partners acquired Advanced Barrier Extrusions, LLC as a platform investment for an undisclosed amount. Advanced Barrier Extrusions is a Wisconsin based industry leader in flexible packaging manufacturing of high barrier forming web films. The Company offers forming and non-forming, vertical form fill and seal, pouch roll-stock, and custom cast film. Advanced Barrier primarily operates in the North American protein, cheese and specialty food end markets. Advanced Barrier is Graham’s third platform investment that has closed in 2018, as the firm sees flexible packaging as a very attractive investment niche within the packaging industry. Steven Graham, Senior Managing Principal at Graham Partners, commented, “ABX is a strategic fit for Graham Partners due to our historical packaging expertise and operating know-how in the industry. Additionally, the combination of strong underlying conversion trends driving demand for high barrier packaging and the Company’s nimble operations position it well to capitalize on growth opportunities.”

**August 2018** – Berry Global Group, Inc. (NYSE:BERY) announced the acquisition of Laddawn, Inc. for \$242 million. Laddawn is a manufacturer of plastic bags and film for packaging applications, offering poly bags, re-closable bags, film & sheeting, and custom products. The company operates five manufacturing sites across the U.S. and has ~380 employees. Tom Salmon, Chairman & CEO of Berry, commented, “We believe Laddawn’s highly-technical online capabilities will support immediate growth, via this e-Commerce platform, to assist in quicker customer response times and small order fulfillments for the faster growing small and medium sized customer base. The combined Laddawn and Berry custom film product portfolio will provide a vast range of product offerings to thousands of valued customers further strengthening our core films business.”

Sources: Capital IQ, PitchBook, Thomson Reuters, Company Reports, PMCF

# Global Resin and Color & Compounding M&A

## TRENDS IN M&A

- The Global Resin and Color & Compounding sector continued to experience moderate levels of M&A activity through 2018. Overall deal volume has been lower in recent years given high levels of consolidation historically
- Strategic buyers drove the majority of deals as existing players continue to pursue synergy opportunities and growth strategies
- The mix of deals in Global Resin and Color & Compounding completed by public acquirers dropped sharply in 2018 to 16, down from 27 deals in 2017
- Despite the steady decline in Resin and Color & Compounding transactions since 2014's multi-year high of 72, PMCF still believes that the sector has consolidation opportunities, particularly for speciality and niche players

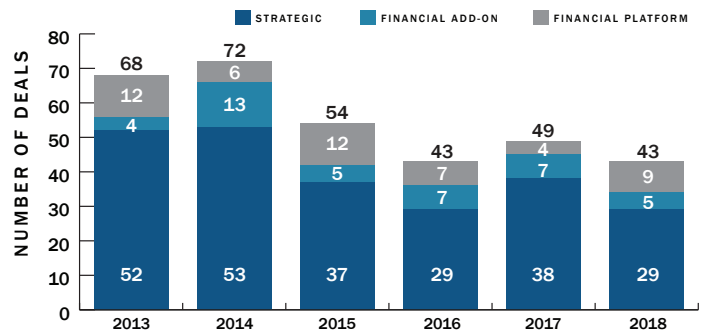
## FEATURED SECTOR TRANSACTIONS

**October 2018** – Arsenal Capital Partners has acquired Polytek Development Corp., a leading manufacturer of liquid mold rubbers and casting plastics, from Morgenthaler Private Equity. Polytek Development was founded in 1984 and is headquartered in Easton, PA. The Company is a market leader in manufacturing proprietary specialty polymers such as polyurethane elastomers and silicones. These systems used primarily in mold making and casting applications in construction, industrial, entertainment, technology, and fine arts sectors. Roy Seroussi, an Investment Partner at Arsenal said, “Polytek has developed niche technologies in a number of applications, with a strong reputation of innovation and technical support. The company’s portfolio fits well with Arsenal’s previous expertise in polymer technologies, such as in polyurethanes, silicones, and epoxies, where we have successfully invested in the past.” At the time of this transaction, this marked Arsenal’s 25th plastics-related investment since 2012.

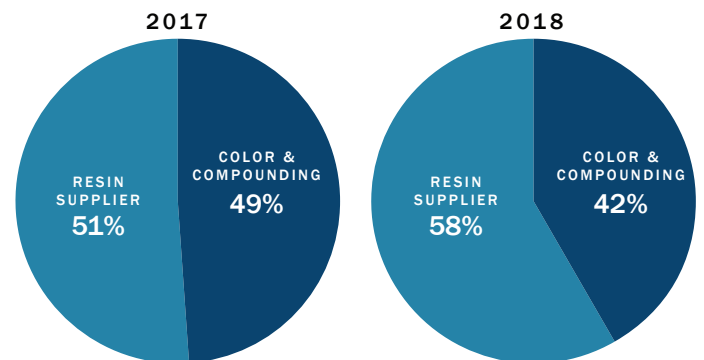
**September 2018** - Westlake Chemical Corporation (NYSE:WLK) acquired NAKAN from OpenGate Capital in a \$265 million all-cash deal. Reims, France-based NAKAN is a global leader in PVC, TPE, and TPO compounds serving the automotive, healthcare, packaging, consumer goods, and building & construction markets. The Company’s compounds are produced in rigid and flexible grades for injection, extrusion, pressing, and roto-molding. “The combination of NAKAN with Westlake’s existing compounding business represents an excellent strategic fit. It will allow us to expand our compounding business globally and add important specialty products and technology to our existing portfolio,” said Albert Chao, President and Chief Executive Officer of Westlake Chemical Corporation. NAKAN has eight production facilities around the world in addition to a world-class research facility in France and application laboratory in the United States.

**February 2018** - Lyondell Basell Industries N.V. (NYSE:LYB), one of the largest plastics, chemicals, and refining companies world-wide, has acquired A. Schulman Inc. (NasdaqGS:SHML) for \$2.25 billion, or 11.0x EBITDA. A Schulman Inc. is a leading global supplier of high-performance plastic compounds, composites, and powders. “With the combination of LyondellBasell’s vertically integrated polypropylene compounding business and A. Schulman’s agile customer focus across broad and growing markets, Advanced Polymer Solutions is well positioned to deliver significant value for our customers and our shareholders,” said Jim Guilfoyle, Executive Vice President, Advanced Polymer Solutions and Global Supply Chain for LyondellBasell. This transaction more than doubles LyondellBasell’s current compounding operations.

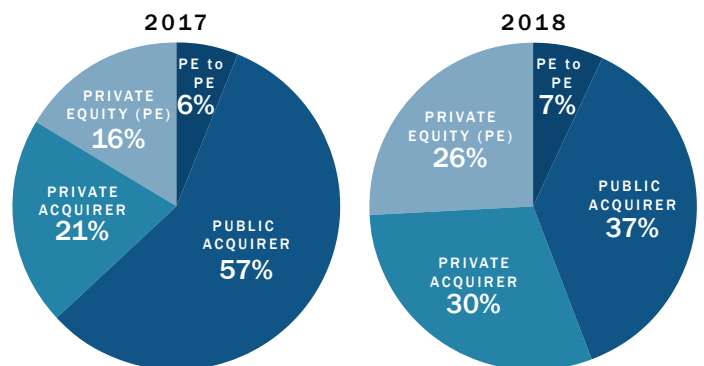
## TRANSACTIONS BY BUYER TYPE



## TRANSACTION SECTOR DETAIL



## BUYER TYPE



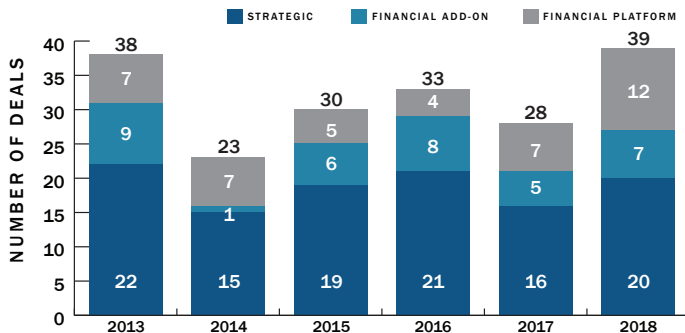
## CROSS-BORDER DETAIL

	2017	2018	% Change
U.S.-to-U.S.	11	9	-18%
U.S.-to-Foreign	8	8	-
Foreign-to-U.S.	7	5	-29%
Foreign	23	21	-9%
Total	49	43	-12%

Sources: Capital IQ, PitchBook, Thomson Reuters, Company Reports, PMCF

# Global Sheet and Thermoforming M&A

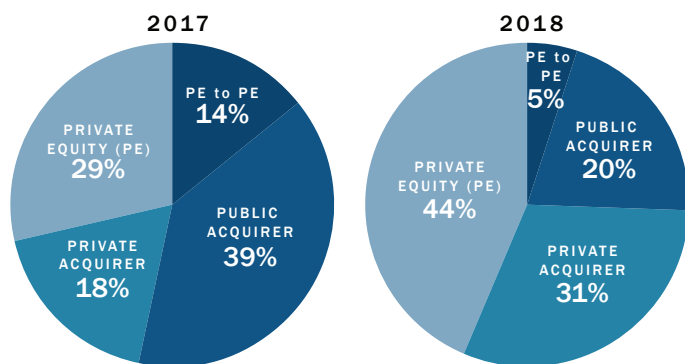
## TRANSACTIONS BY BUYER TYPE



## TRANSACTIONS BY END MARKET

	2017	2018	% Change
Food & Beverage	13	8	-38%
Industrial	5	15	200%
Consumer	3	9	200%
Construction	3	5	67%
Medical	3	1	-67%
Automotive / Transportation	1	1	-
Electronics	-	-	n/a
<b>Total</b>	<b>28</b>	<b>39</b>	<b>39%</b>

## BUYER TYPE



## CROSS-BORDER DETAIL

	2017	2018	% Change
U.S.-to-U.S.	11	10	-9%
U.S.-to-Foreign	1	-	-100%
Foreign-to-U.S.	2	2	-
Foreign	14	27	93%
<b>Total</b>	<b>28</b>	<b>39</b>	<b>39%</b>

## TRENDS IN M&A

- M&A activity in Sheet and Thermoforming surpassed 2013's multi-year high with 39 deals completed in 2018; this level of activity reflects the highest level of volume in a year since PMCF began tracking the sector
- Global Sheet and Thermoforming M&A has experienced heightened levels of deal activity completed by private equity buyers in 2018, up to 49% of total deal volume in the sector, compared to only 43% in 2017. This trend is in line with overall Plastics and Packaging as financial buyers are becoming more aggressive in the industry
- Industrial and Consumer end markets showed largest increases, while Food & Beverage saw a decline from 13 to 8 deals over the same period
- All of the growth in the sector can be attributed to the increased activity coming from foreign transactions, increasing from 14 deals in 2017 to 27 deals in 2018

## FEATURED SECTOR TRANSACTIONS

**October 2018** - Rohrer Corporation, a portfolio company of Shoreview Industries acquired Transparent Container Co., Inc. Headquartered in Addison, IL, Transparent Container, with more than 400 employees across six locations, is a leading designer and manufacturer of retail packaging solutions, including blister and club packaging, clamshells, and printed plastic and paperboard folding cartons. The acquisition of Transparent Container provides Rohrer with additional thermoforming capacity, expanded product range, and the largest combination run program for printed and thermoformed visual packaging products in the world, all under Rohrer's ezCombo™ program. "We're very proud and excited to team with the great people of Transparent Container in providing customers the most innovative, eye-catching and cost-effective consumer packaging in the industry," said Steve Wirrig, President and CEO, Rohrer Corporation.

**July 2018** - 21 Investimenti SGR S.p.A. announced the acquisition of an 80% stake in Carton Pack Srl for an undisclosed amount. Carton Pack manufactures rigid and flexible plastic packaging for the food industry. The Company specializes in packaging for vegetables and fruits, including thermoformed packaging solutions and a wide range of accessory products. Carton Pack, based out of Rutigliano, Italy, employs 220 people and generates roughly €80 million in revenue annually and €10.7 million in EBITDA annually. Carton Pack Srl has significant market share in its reference markets, especially on certain high-value categories such as grapes, strawberries, cherries, and tomatoes. 21 Investimenti hopes to accelerate the Company's growth through organic growth, international expansion and potential add-ons.

**March 2018** - Sonoco (NYSE:SON) has announced the acquisition of Highland Packaging Solutions for approximately \$150 million, which represents a post-synergy EBITDA multiple of 6.5x. Highland Packaging produces thermoformed plastic packaging for fresh fruit and dairy products. The Company is based in Plant City, FL, has approximately 425 employees, and had net sales of ~\$90 million in 2017. Rob C. Tiede, Sonoco's Executive Vice President, Chief Operating Officer and CEO-elect commented on the transaction, "Highland's recognized best-in-class manufacturing and effectiveness in product integration with automated filling machines will add breadth to our growing produce customer mix through a dedicated manufacturing facility located in the important Florida produce market, while also providing us an important entry into egg packaging - a fast-growing protein source in North America."

Sources: Capital IQ, PitchBook, Thomson Reuters, Company Reports, PMCF



# Global Blow Molding M&A

## TRENDS IN M&A

- Blow Molding M&A activity had another strong year in 2018, matching 2016's multi-year high of 29 transaction
- Transactions between Private Equity buyers and sellers (PE to PE) declined from 21% of deal flow in 2017 to 10% in 2018. Strategic buyers contributed the majority of deal volume in 2018 with a multi-year high of 16 transactions
- Transactions involving blow molders who primarily serve the Consumer end market increased by 4 deals year-over-year, while activity in the Industrial segment declined by 6 deals in 2018
- Deals involving both a U.S. buyer and seller increased to 11 deals, a 38% increase over 2017 levels
- The increase in Blow Molding M&A highlights the attractiveness of the sector and continued consolidation opportunities of small to medium sized players

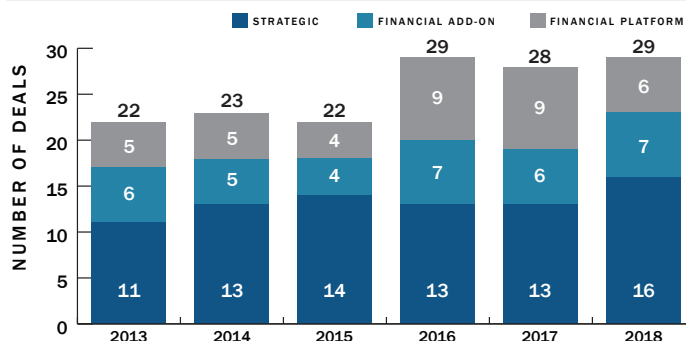
## FEATURED SECTOR TRANSACTIONS

**November 2018** – Consolidated Container Company (“CCC”), has acquired Polybottle Group Limited and Humberline Packaging, Inc. Both companies are leading manufacturers of plastics bottles for the food & beverage, automotive, and industrial industries. Combined with the recent acquisition of DeltaPac earlier in the year, the collective platform will serve as the foundation for the launch of CCC's Dura-Lite® family. Sean R. Fallmann, President and Chief Executive Officer of CCC, said, “We welcome the employees of Polybottle and Humberline into the CCC family. These companies have great leadership teams and a strong reputation of consistently providing quality products and excellent customer service. This acquisition is another step in CCC's North American growth strategy, in which we combine strategic asset acquisitions with new innovative products to better meet our customers' needs.”

**September 2018** - IntraPac International, a portfolio company of ON-CAP, announced the acquisition of Prescott, AZ-based Quality Plastics. Quality Plastics is a manufacturer of custom blow molded plastic bottles for nutraceutical, pharmaceutical, and food and beverage markets. The acquisition will bolster IntraPac's product offering and customer base, as well as expand its manufacturing footprint to the West Coast. “Quality Plastics is a strategic acquisition for IntraPac that extends our manufacturing footprint to the West Coast and expands our product offering into high density polyethylene bottles,” said Ray Grupinski, Chief Executive Officer of IntraPac. “We look forward to working with the Quality Plastics team to extend their sales reach to the East Coast and better service our collective customers with a broader product portfolio.”

**July 2018** - B&D Plastics, Inc. (d.b.a. Cox Container) was acquired by Pretium Packaging for an undisclosed amount. Cox Container is a manufacturer of custom blow molding HDPE containers. The Company offers plastic bottles with products such as dairy cartons, quartz containers, round gallons, square industrial bottles, and more. Cox Container operates several blow molders at its 73,000 square-foot facility located on 13 acres of land, allowing for possible future expansion. Pretium Packaging president and CEO, Paul Kayser, commented on the transaction, “We are pleased to welcome the Cox leadership team and employees to the Pretium organization. The acquisition brings additional HDPE manufacturing capability to Pretium and gives us a strategic foothold in the Southeast.”

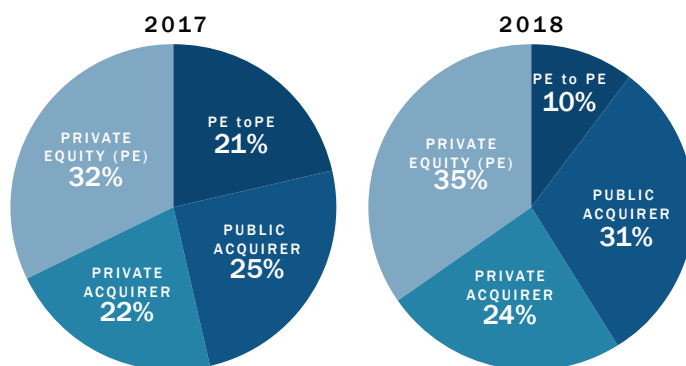
## TRANSACTIONS BY BUYER TYPE



## TRANSACTIONS BY END MARKET

	2017	2018	% Change
Food & Beverage	10	10	-
Industrial	11	5	-55%
Consumer	6	10	67%
Construction	-	-	n/a
Medical	1	2	100%
Automotive / Transportation	-	2	n/a
Electronics	-	-	n/a
<b>Total</b>	<b>28</b>	<b>29</b>	<b>4%</b>

## BUYER TYPE



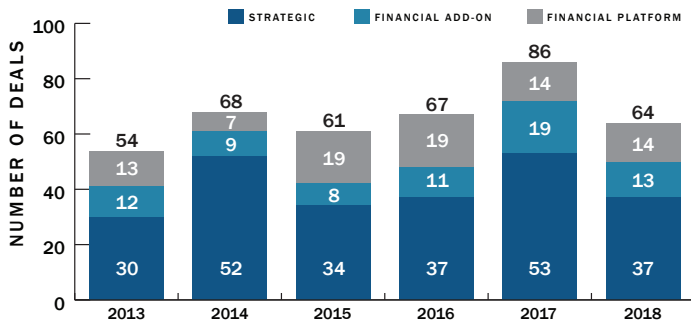
## CROSS-BORDER DETAIL

	2017	2018	% Change
U.S.-to-U.S.	8	11	38%
U.S.-to-Foreign	2	2	-
Foreign-to-U.S.	2	0	-100%
Foreign	16	16	-
<b>Total</b>	<b>28</b>	<b>29</b>	<b>4%</b>

Sources: Capital IQ, PitchBook, Thomson Reuters, Company Reports, PMCF

# Other Global Plastic Processing Activity

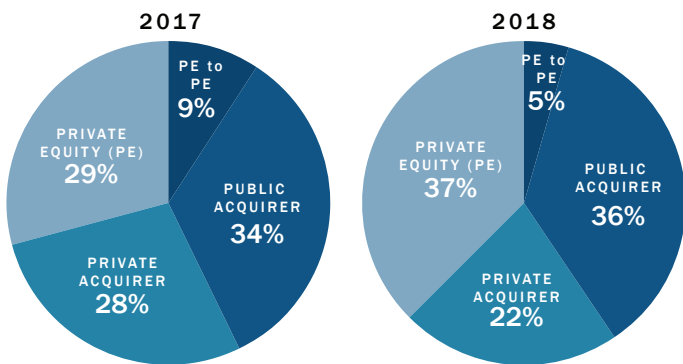
## TRANSACTIONS BY BUYER TYPE



## TRANSACTIONS BY END MARKET

	2017	2018	% Change
Food & Beverage	1	1	-
Industrial	28	26	-7%
Consumer	6	6	-
Construction	31	16	-48%
Medical	3	5	67%
Automotive / Transportation	17	7	-59%
Electronics	0	3	n/a
Total	86	64	-26%

## BUYER TYPE



## CROSS-BORDER DETAIL

	2017	2018	% Change
U.S.-to-U.S.	27	33	22%
U.S.-to-Foreign	3	1	67%
Foreign-to-U.S.	10	4	-60%
Foreign	46	26	-43%
Total	86	64	-26%

## TRENDS IN M&A

- M&A activity involving other plastic process types, including rotational molding, foam, pipe & tube, profile extrusion, and composites, returned to historical averages in 2018 after 2017's multi-year high
- The volume of deals completed in Construction and Transportation declined sharply in 2018 by 48% and 59% respectively
- There were 3 transactions in Electronics during 2018 after seeing no activity from the end market in 2017
- Transactions between both foreign buyers and sellers declined to 26 in 2018 from 46 in 2017, or 43% year-over-year
- Cross-border transactions saw a shift of mix in 2018 as U.S. transactions increased slightly. The majority of the decline in total transactions is attributable to Foreign transactions which were down by 20 transactions

## FEATURED SECTOR TRANSACTIONS

### Rotomolding

**December 2018** – Latour Capital Management SAS and Bpifrance Participations SA have acquired Plastic Omnium Environment BV from Compagnie Plastic Omnium SA (ENXTPA:POM). Plastic Omnium Environment was incorporated in 1997 and manufactures bins and collection containers for waste services. The Company has 6 factories located in France, Germany and Spain and an R&D center and customer service center all serving 8,000 clients. Plastic Omnium Environment operates in 12 countries, employs 1,800+ people, and has turnover of more than €330 million. The transaction had an enterprise value of €220 million.

### Extrusion

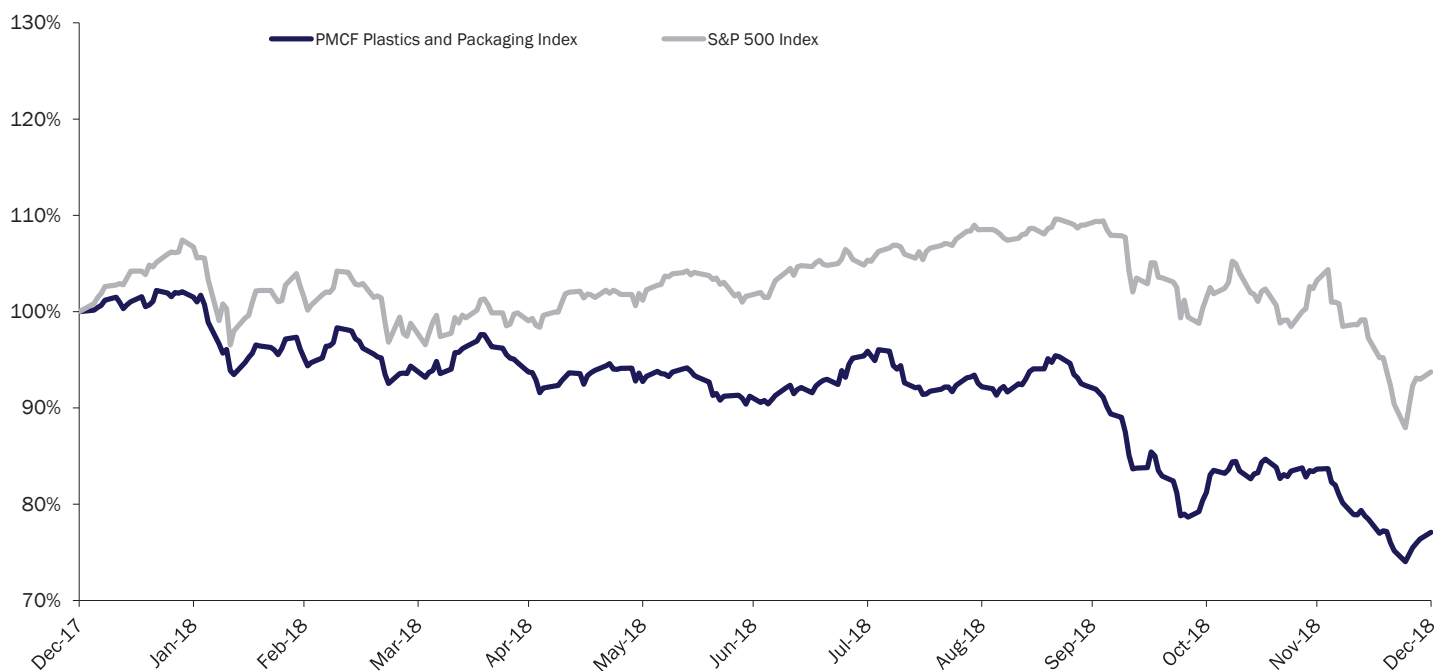
**August 2018** - Pexco LLC, a portfolio company of AEA Investors, has acquired Massachusetts-based Custom Extrusion, Inc. Custom Extrusion, founded in 1957, manufactures plastic extruded products and has experienced early success in the engineering and development of lighting profiles. Custom Extrusion has extensive knowledge and expertise in thermoplastic resin and services customers in four countries. Today, the Company operates out of two facilities in Massachusetts and North Carolina. Pexco CEO Sam Patel added, "We are delighted to welcome Custom Extrusion, Inc. to the Pexco family. CEI brings a wealth of expertise in Lighting and Custom Industrial extrusions. They are known for their excellent service and their strong history as a leading solutions provider that fits perfectly with the Pexco culture." Later in 2018, Pexco LLC also acquired Insultab, Inc., a manufacturer focused on heat shrinkable and non-shrink tubing products.

### Foam

**August 2018** - Sealed Air Corporation (NYSE:SEE) has acquired Austin Foam Plastics, Inc. for an undisclosed amount. Austin Foam Plastics was founded in 1978 and manufactures and produces protective packaging for retail and ecommerce customers. Some of Austin Foam's products include corrugated, foam, molding pulp, and crating. The Company operates out of six facilities nation-wide and has a presence throughout Mexico and Asia. April O'Hearn Abello, CEO of Austin Foam Plastics, Inc., commented, "This acquisition allows AFP to act for the future together with one of our strongest and most loyal suppliers, Sealed Air. The combination of Sealed Air and AFP will provide a powerful and unique global value proposition to our customers, employees and suppliers."

Sources: Capital IQ, PitchBook, Thomson Reuters, Company Reports, PMCF

# PMCF Plastics & Packaging Index



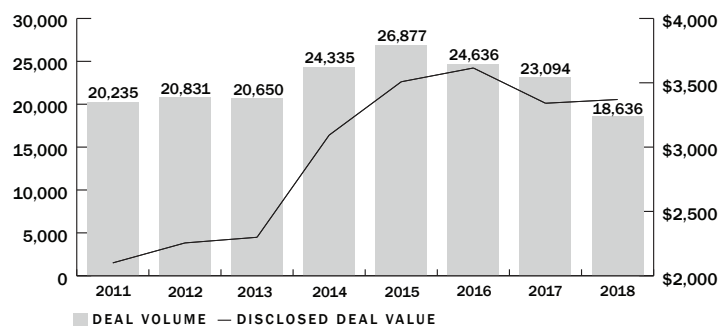
## PMCF PLASTICS & PACKAGING STOCK MARKET INDEX VALUATION

	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18
<b>Revenue Multiple</b>									
Average	1.7x	1.7x	1.7x	1.7x	1.7x	1.6x	1.6x	1.5x	1.4x
Median	1.5x	1.5x	1.5x	1.6x	1.7x	1.5x	1.5x	1.4x	1.3x
<b>EBITDA Multiple</b>									
Average	10.6x	10.7x	11.1x	11.1x	11.2x	10.8x	10.5x	10.1x	9.1x
Median	10.3x	10.4x	11.5x	11.6x	11.3x	10.7x	10.1x	10.2x	9.1x

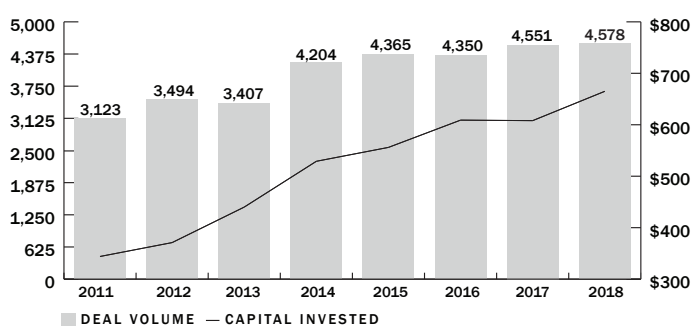
- The Plastics & Packaging index had its worst performance in years compared to the S&P 500 index with the gap widening in the second half of 2018
- Average EV/EBITDA multiples declined steadily throughout the year with the index's multiples declining by 1x EBITDA in Q4 2018

Index includes the following publicly traded companies: NWL, POL, LABL, ITP, SEE, CCL.B, SIM, WLK, AVY, LYB, OLB, SWX:CLN, WPK, BERY, SLGN, TG, BMS, SON, CMT, BLL, RPC, FOE, MYE, ATR, AMC, POM, ESNT

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



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



- Global M&A activity in 2018 saw a decline in deal volume, however, the total disclosed deal value remained flat due to a number of larger sized deals
- U.S. private equity M&A activity experienced a record-level of buyouts in 2018 as financial sponsors continue to deploy readily available capital and leverage the low cost financing environment
- Private equity buyers in plastics & packaging increased their mix of deals considerably in 2018 to 46% of total deal volume compared to 40% in 2017, driven in part by a large number of platform transactions

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**SELECT PMCF TRANSACTIONS:**



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