

PLASTICS M&A PULSE

2019 H1 REVIEW



INSIDE THIS ISSUE

Market Summary & Outlook	PAGE 3
M&A Activity by Process Type	PAGES 4-10
Public Entity & Private Equity Trends	PAGE 11

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H1
19

Recent PMCF Transaction Announcements



RETAIL PACKAGING
Sale to Private Equity Platform



INDUSTRIAL SPECIALTY EXTRUSION
Sale to Strategic Buyer



BEAUTY & HEALTHCARE PACKAGING
Sale to Private Equity Platform



INDUSTRIAL & FOOD PACKAGING
Sale to Strategic Buyer

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H1 2019 Market Summary & Outlook

Plastics and Packaging M&A activity grew 3% during the first half of the year to 169 deals, a level PMCF believes is a good indicator for another strong year of M&A activity of 300+ transactions. The slight increase in deals was driven by a resurgence of strategic buyer activity and offset by lower private equity platform investment. The share of total Plastics & Packaging M&A transactions completed by strategic buyers increased to 56% in H1 2019 compared to 46% in H1 2018. The number of private equity add-on transactions also increased while platform private equity transactions declined. The data is showing a shift by selling shareholders back to buyers with a strategic angle vs platform private equity which is likely due to higher prices, but can also be attributable to other factors based on PMCF's experience.

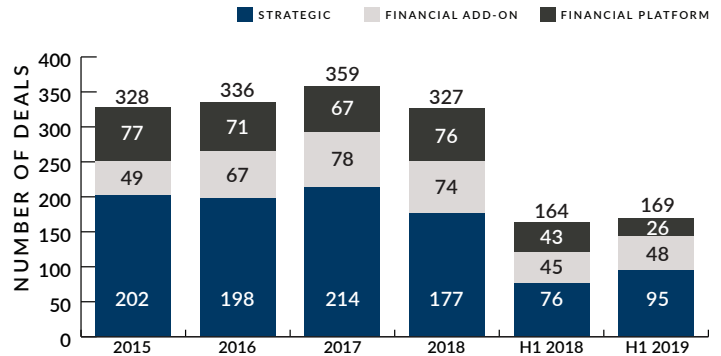
Other key trends in the first half of 2019 Plastics and Packaging M&A activity include:

- Transaction multiples experienced a slight uptick from record levels experienced in 2018 further supporting the current "sellers" market. There continues to be a high level of competition for high quality plastics companies with more buyers interested than available sellers
- Injection Molding continues to represent the largest segment in global plastics & packaging M&A transactions. The number of transactions in injection molding was up 25% in the first half 2019 driven by increases with both strategic and private equity add-on acquirers
- Global Plastic Packaging M&A activity experienced a ~13% decline during the first half, driven primarily by a decrease in activity in the Industrial and Consumer end markets. Partially offsetting these declines was growth in the number transactions with packaging companies operating in the Food & Beverage and Medical end markets (both appear to remain highly attractive areas of focus for strategic and financial buyers). PMCF is closely monitoring M&A impact of increased public focus on reducing single-use plastic packaging
- From a geographic perspective, plastics M&A transaction volume in the U.S. and foreign countries was relatively consistent compared to H1 2018 with a small shift in cross border transactions. Based on the recently implemented tariffs and some of the global trade issues, we expect to see an increase in Foreign-to-US transactions in the coming months

Although the Global M&A market for Plastics and Packaging has remained strong, there are causes for concern including global trade tensions, slower economic growth, negative press regarding plastic waste, and the prolonged length of the current M&A cycle. While these topics pose some uncertainty, PMCF expects M&A to remain strong and believes the majority of buyers will continue to seek inorganic growth through acquisitions in the plastics industry.

Sector	2017	2018	H1 '18	H1 '19	'18 - '19 Change	'18 - '19 % Change
Blow Molding	28	29	16	16	-	-
Injection Molding	103	83	40	50	10	25%
Film	65	69	36	32	-4	-11%
Resin / Color & Compounding	49	43	20	22	2	10%
Sheet & Thermoforming	28	39	24	12	-12	-50%
Specialty	86	64	28	37	9	32%
Total	359	327	164	169	5	3%

TRANSACTIONS BY BUYER TYPE

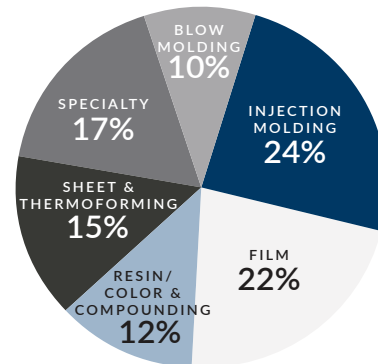


TOTAL PLASTICS M&A BY QUARTER

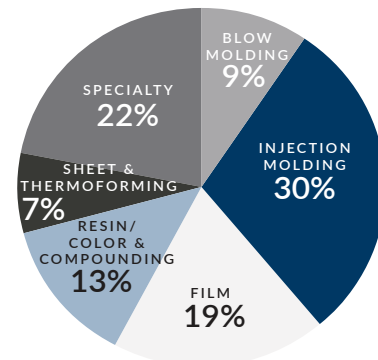
Q3 '18	Q4 '18	Q1 '19	Q2 '19
82	81	95	74
Q3 '17	Q4 '17	Q1 '18	Q2 '18
94	86	72	92
Q3 '16	Q4 '16	Q1 '17	Q2 '17
89	86	96	83

TRANSACTIONS BY SECTOR

H1 2018

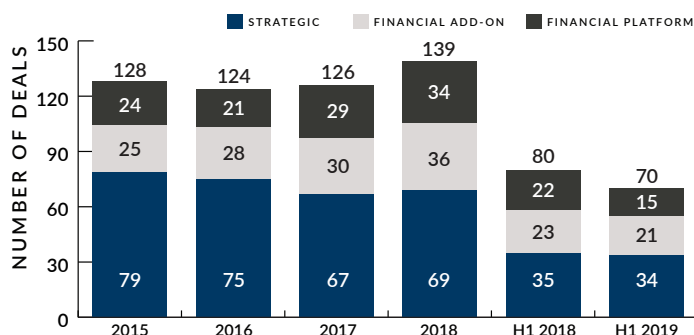


H1 2019



Global Plastic Packaging M&A

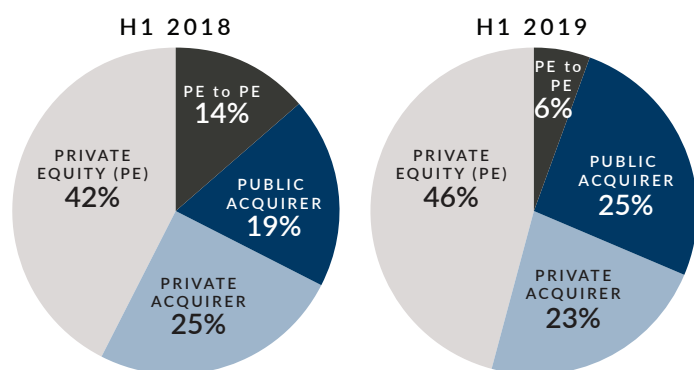
TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

	H1 2018	H1 2019
Food & Beverage	30	36
Industrial	20	9
Consumer	23	11
Construction	-	-
Medical	5	12
Automotive / Transportation	1	2
Electronics	1	-
Total	80	70

BUYER TYPE



PLASTIC PACKAGING TRANSACTION DETAIL

	H1 2018		H1 2019		'18 - '19 Change
	#	% Packaging	#	% Packaging	
Rigid	23	29%	21	30%	-9%
Flexible	32	40%	29	41%	-9%
Bottles	15	19%	14	20%	-7%
Caps & Closures	10	12%	6	9%	-40%
Total	80	100%	70	100%	-13%

TRENDS IN M&A

- Plastic Packaging transactions fell in H1 2019 to 70 deals, or 12.5% compared to the elevated levels in H1 2018. The proportion of packaging deals to total deal volume was 41% in H1 2019 compared to 49% in H1 2018
- The H1 2019 decline was primarily driven by a decrease in platform transactions, which fell from 22 deals to 15 deals year-over-year
- Despite the decline in deal volume, PMCF has not seen any change in the level of interest from buyers for well-positioned packaging companies
- M&A activity in Food & Beverage increased by 6 deals year-over-year, while Medical also saw an increase of 7 deals. Industrial and Consumer deals experienced significant decreases of 11 and 12 deals, respectively
- Caps & Closure related transactions also experienced a notable decrease in activity driven most likely by lack of available sellers

FEATURED SECTOR TRANSACTIONS

June 2019 – Warburg Pincus announced the acquisition of Pregis – a leading producer of protective packaging materials and automation systems – from Olympus Partners. Pregis currently operates 22 manufacturing facilities and employees 2,250 team members. Olympus Partners acquired Pregis in 2014 and, under its ownership, completed six acquisitions to grow the platform (Eagle Film Extruders, Easypack Ltd., Sharp Packaging Systems, 3M PolyMask, Rex Performance Products, and FP International). Warburg Pincus cited the Company's strong e-commerce and automation capabilities as strategic areas of focus for the company. Pregis has recently established a European operating unit, further expanding its geographic reach. The Company's current management team, led by Kevin Baudhuin, President and Chief Executive Officer, will continue under Warburg Pincus' ownership.

March 2019 - Berry Group (NYSE: BERY) announced the completion of its acquisition of RPC Group for \$6.5 billion. With \$13 billion of total pro forma sales, the combination creates a leading global supplier of valued-added protective solutions and one of the world's largest plastic packaging companies. CEO of Berry Group, Tom Salmon stated how the transaction combines Berry's North American business with RPC's European presence to achieve a global platform. "We are very excited to move forward together as a global plastic and recycled packaging industry leader, serving thousands of customers with our high-quality, innovative, and protective solutions along with the industry's most diversified and expansive manufacturing footprint," said Tom Salmon. Prior to the acquisition, private equity firms Bain Capital and Apollo showed interest in acquiring RPC. RPC was a compelling target for Berry given the company's recycling expertise, unique dispensers technologies, healthcare portfolio and emerging markets presence. RPC's board of directors unanimously recommended the Berry transaction.

March 2019 – Liqui-Box Corporation, a portfolio company of Olympus Partners, has announced the agreement to acquire DS Smith plc's Plastics Division for \$591 million, posting a EV/EBITDA multiple of 9.9x. The Plastics Division consists of sustainable flexible packaging and dispensing solutions, plastics extrusion, injection molded, and foam products. "The combination with DS Smith Plastics advances our strategic initiative to create the leading innovator of sustainable flexible and rigid packaging solutions," said Ken Swanson, Liqui-Box's CEO. The combined operations of Liqui-Box and the Plastics Division will serve its customers globally with 35 manufacturing facilities across 5 continents. Olympus Partners first took majority control of Liqui-Box in 2015 and has made one other add-on since, with its acquisition of Maverick Engineering and Maverick Flexible.

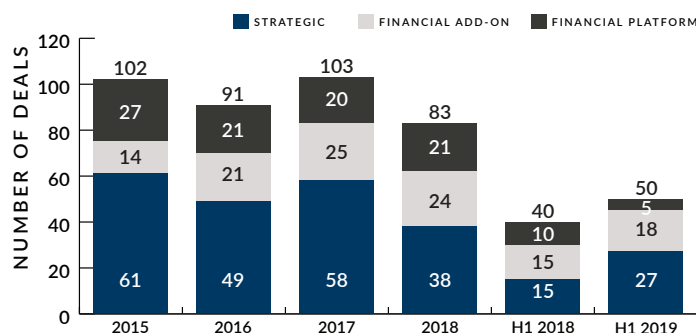
Sources: Capital IQ, PitchBook, Thomson Reuters, Company Reports, PMCF

Global Injection Molding M&A

TRENDS IN M&A

- As the most active processing type for plastics M&A, Injection Molding transactions represented 30% of total deal volume in H1 2019, with an increase in 10 deals, or 25%, to return to historical levels
- Automotive related transactions contributed a majority of the increase in Injection Molding volume, despite transaction levels in this end market still notably down from 2017 levels. Medical and Electronics also experienced increases while Food & Beverage and Industrial both reported slight decreases
- While private equity platform transactions decreased substantially, add-on transactions reported an increase of 20%. Strategic buyers experienced a significant jump in deal volume, with an increase of 12 deals or 80%
- Transactions between both U.S. buyers and sellers increased by 8 deals while other cross-border transactions reported small increases

TRANSACTIONS BY BUYER TYPE



FEATURED SECTOR TRANSACTIONS

May 2019 – Westfall Technik Inc. announced the acquisition of Delta Pacific Products, which includes its wholly owned subsidiaries, Prism Plastics Products, Inc. and NxTBio Technologies. Delta Pacific is a contract manufacturer for blue-chip companies such as Abbott and Johnson & Johnson. The Company has a presence in Union City and Fremont, California with a total of 53,000 square feet and ~150 employees. Prism Plastics, one of Delta’s subsidiaries focused on the medical, consumer electronics, security and recreational vehicle markets, gives Westfall Technik a presence near the Minneapolis area. Delta’s other subsidiary, NxTBio, is based on the West Coast and has a second manufacturing facility in Mexico. “We can now offer our customers high-volume production, device assembly and rapid precision toolmaking throughout the United States and through Westfall’s extensive sales team, can offer our services to customers we could never previously reach,” stated Yuan Tian, President and CEO of Delta Pacific Products.

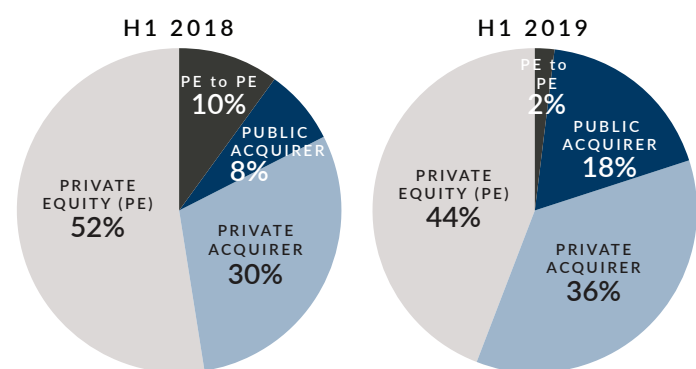
April 2019 – Pretium Packaging, a portfolio company of Genstar Capital, announced the acquisition of Illinois-based Olcott Plastics. Olcott specializes in injection molding and decorating of single- and double-wall polypropylene jars, seamless PET jars and injection molded closures. Commenting on the transaction, Pretium CEO Paul Kayser stated, “The acquisition brings significant beauty care packaging expertise and a robust product line to the Pretium portfolio, which nicely complement the health and beauty care packaging offerings already in our portfolio.” Joseph and John Brodner also stated, “Joining forces with Pretium is a perfect fit for the next chapter of Olcott Plastics. We are excited to be able to offer our customers a broader product portfolio and national footprint while continuing to provide the same level of service they are accustomed to receiving from Olcott.” PMCF advised Olcott Plastics on the transaction.

January 2019 – Illinois-based Littlestar Plastics Inc. has been acquired by Parkway Products LLC for an undisclosed amount. Littlestar was founded in 1991 and manufactures large technical components from high-performance polymers for the aerospace and other markets. As a result of the acquisition, Parkway will add between \$10-\$20 million in annual sales. Parkway has been in the aerospace market since the 1970s and is excited to gain momentum with this transaction. “We’ve always had a foothold in aerospace. We want to continue to grow and penetrate it,” said Parkway CEO, Al Ridilla.

TRANSACTIONS BY END MARKET

	H1 2018	H1 2019
Food & Beverage	9	7
Industrial	13	12
Consumer	10	10
Construction	1	1
Medical	5	8
Automotive / Transportation	2	9
Electronics	-	3
Total	40	50

BUYER TYPE

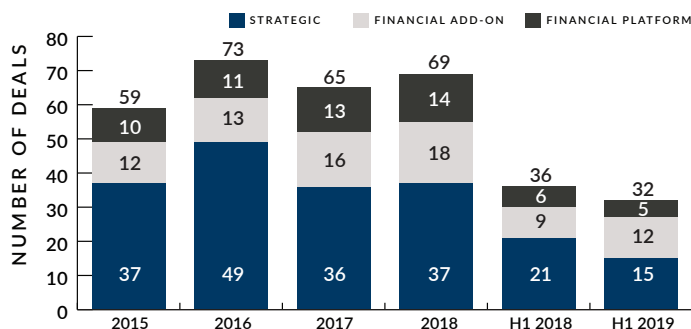


CROSS-BORDER DETAIL

	H1 2018	H1 2019
U.S.-to-U.S.	14	22
U.S.-to-Foreign	2	4
Foreign-to-U.S.	1	2
Foreign	23	22
Total	40	50

Global Film M&A

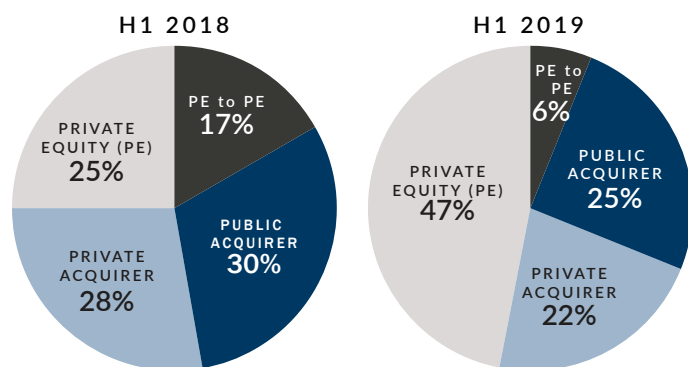
TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

	H1 2018	H1 2019
Food & Beverage	9	19
Industrial	12	5
Consumer	10	3
Construction	-	1
Medical	3	3
Automotive / Transportation	1	-
Electronics	1	1
Total	36	32

BUYER TYPE



CROSS-BORDER DETAIL

	H1 2018	H1 2019
U.S.-to-U.S.	17	10
U.S.-to-Foreign	-	4
Foreign-to-U.S.	2	1
Foreign	17	17
Total	36	32

TRENDS IN M&A

- The Film segment saw a decrease in deal activity in H1 2019, with a decline of 11%, or 4 deals, over the same period in H1 2018
- The Food & Beverage end market drove the majority of deal volume in the sector with 59% of the total transactions in H1 2019. While Industrial and Consumer are historically leaders in this segment, they both experienced significant downfalls year-over-year
- Most of the decline in transaction volume for Film in H1 2019 can be attributed to a decline in domestic transactions
- Transactions involving a private equity buyer gained in the share of total deals, despite a drag in deals involving both a private equity buyer and seller (PE to PE)
- Film continues to be an attractive segment, particularly in Packaging and Medical segments, where there's significant competition for well positioned companies

FEATURED SECTOR TRANSACTIONS

May 2019 – Sealed Air announced it has signed a definitive agreement to acquire Automated Packaging Systems for \$510 million. With sales of \$290 million, Automated Packaging Systems is a leading manufacturer of automated bagging systems with customers in more than 60 countries and 1,200 employees. Commenting on the transaction, Ted Doheny, President and CEO of Sealed Air stated, "This transaction expands the breadth of our automated solutions and sustainable packaging offerings, giving us access to growth opportunities in the markets we serve." Sealed Air noted several transaction benefits including expanding its protective packaging business, accelerating innovation and driving growth opportunities with cost synergies from supply chain efficiencies.

March 2019 - Wellspring Capital Management LLC has announced the acquisition of Oklahoma-based Paragon Films Inc. from private equity firm Wind Point Partners. Founded in 1988, Paragon is a leading manufacturer of high performance stretch films for transit packaging distributors, mostly serving the food & beverage, consumer products, logistics, and industrial markets. The Company has manufacturing facilities in Oklahoma, North Carolina, and Washington. Wind Point Partners invested \$10+ million in capital for capacity expansion, which allowed the Company to grow revenue and earnings at double-digit rates. "The market for high-performance stretch film is experiencing significant growth driven by transportation and e-commerce trends that are increasing points of distribution and warehousing, as well as raising the technical requirements for secure packaging," the companies said in a statement announcing the sale.

March 2019 – Transcendia has successfully completed the acquisition of Purestat Engineering Technologies. Purestat specializes in manufacturing ESD active packaging solutions for the medical, food, energy, electronics, and aerospace markets. The Company offers a number of capabilities including blown film co-extrusion, lamination, converting and clean room processing. The acquisition adds two certified Class-100 and Class-1000 clean rooms to Transcendia's current capabilities. According to Purestat's General Manager, Richard Kullson, "This acquisition allows us to leverage Transcendia's global infrastructure of 21 manufacturing and distribution facilities to better reach current and new customers, expands our multi-layer film extrusion capabilities for broader product offerings, and gives us access to more resources to strengthen Purestat's business." This transaction marks the eighth strategic acquisition Transcendia has completed over the past five years.

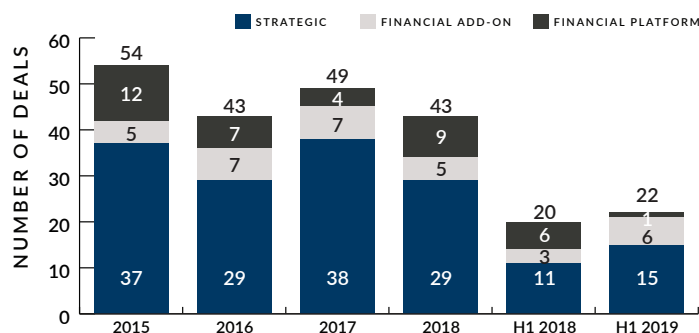
Sources: Capital IQ, PitchBook, Thomson Reuters, Company Reports, PMCF

Global Resin and Color & Compounding M&A

TRENDS IN M&A

- The Global Resin and Color & Compounding sector increased by 2 deals in H1 2019 and continues to experience moderate levels of M&A activity. Overall deal volume has been lower in recent years given high levels of consolidation historically
- Strategic buyer and add-on transactions saw significant increases in H1 2019 while private equity platform deals were nearly nonexistent
- The mix of deals between Resin Suppliers and Color & Compounding experienced a shift year-over-year, with Color & Compounding representing 55% of total deal volume in H1 2019 vs 35% in H1 2018
- 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 further consolidation opportunities, particularly for specialty niche players
- Cross-border activity in this segment experienced a notable decrease in volume in H1 2019 compared to the same period in 2018

TRANSACTIONS BY BUYER TYPE



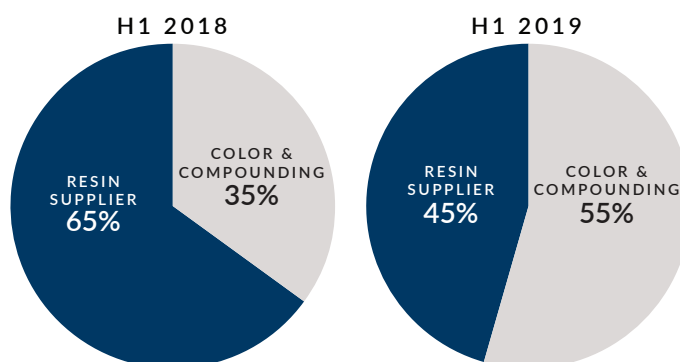
FEATURED SECTOR TRANSACTIONS

February 2019 – Chroma Color Corporation has announced the acquisition of Polymer Concentrates Inc. Clinton, MA-based Polymer Concentrates develops and manufactures color concentrates for the plastics industry. The Company serves the automotive, communication technology, wire-cable, housewares, netting, packaging, and other specialty industries. “We were very excited when we saw the opportunity to add Polymer Concentrates Inc. to the Chroma family,” stated Tom Bolger, CEO, Chroma Color Corporation. “The company has a solid reputation in the marketplace and its’ facility is very close to our plant in Leominster, MA. Chroma Color and Polymer Concentrates have complimentary product lines, but distinctly different customer bases that makes this acquisition very attractive allowing us to offer a broader suite of products to the customers of both the legacy Chroma and PCI.”

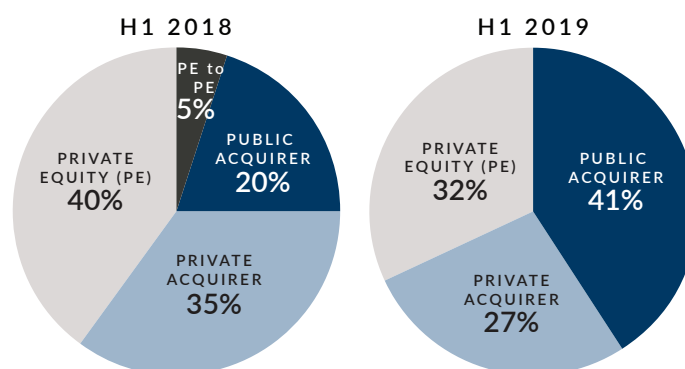
March 2019 - The resin distribution business of Nexeo Solutions Inc. has been acquired by One Rock Capital Partners LLC in a deal worth \$640 million, in which the cash proceeds of at least \$615 million will immediately be used to pay down debt. Prior to this acquisition, chemicals distributor Univar Inc. had announced plans to acquire Nexeo for \$1.8 billion; however, Univar officials later stated the acquisition wouldn't fit with their strategic plans as they didn't plan to keep the resin distribution business. One Rock Managing Partner Tony Lee stated, “We are excited about the opportunity to create a standalone plastics distribution business and invest in growth by deepening its relationships with customers and supplier partners.”

January 2019 - PolyOne Corporation (NYSE:POL) has announced the acquisition of Fiber-Line for \$120 million. Fiber-Line was founded in 1987 and manufactures a portfolio of materials serving the fiber optic cable, oil & gas, industrial and consumer industries. The Company has five manufacturing facilities in North America, Europe, and Asia. “Fiber-Line is an innovative and unique addition to our portfolio of fiber and composite solutions with tremendous upside for growth,” said Robert M. Patterson, chairman, president and CEO, PolyOne Corporation. “They provide an immediate leadership position in serving the build out of fiber optic cable and future 5G networks.” Mr. Patterson later added that this acquisition would be immediately accretive to EPS and add nearly \$100 million in revenue.

TRANSACTION SECTOR DETAIL



BUYER TYPE

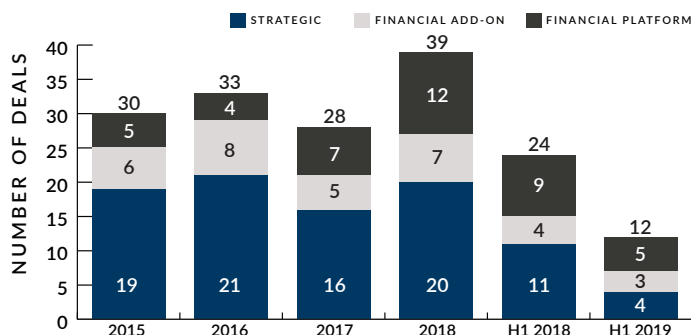


CROSS-BORDER DETAIL

	H1 2018	H1 2019
U.S.-to-U.S.	6	10
U.S.-to-Foreign	4	-
Foreign-to-U.S.	4	2
Foreign	6	10
Total	20	22

Global Sheet and Thermoforming M&A

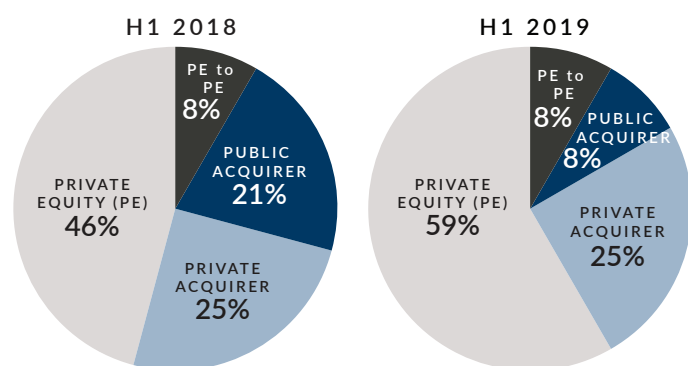
TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

	H1 2018	H1 2019
Food & Beverage	6	3
Industrial	9	1
Consumer	5	3
Construction	3	2
Medical	-	1
Automotive / Transportation	1	2
Electronics	-	-
Total	24	12

BUYER TYPE



CROSS-BORDER DETAIL

	H1 2018	H1 2019
U.S.-to-U.S.	5	7
U.S.-to-Foreign	-	-
Foreign-to-U.S.	1	-
Foreign	18	5
Total	24	12

TRENDS IN M&A

- M&A activity in Sheet and Thermoforming declined slightly in H1 2019 after a very strong 2018. PMCF believes the decrease in volume was driven in part by a lack of available sellers
- Global Sheet and Thermoforming continues to be an attractive segment overall with deal multiples at peak levels and numerous strategic and private equity buyers are focused on the sector
- Private equity platform and strategic acquisitions experienced notable declines, while private equity add-ons were relatively flat
- The Industrial end market showed the largest decrease with a decline of 8 deals year-over-year. Food & Beverage, Consumer, Construction, and Automotive/Transportation end markets also all decreased in H1 2019 compared to the same period in 2018
- Transactions in the U.S. increased in H1 2019 with foreign transactions accounting for all of the decline in the sector

FEATURED SECTOR TRANSACTIONS

May 2019 – Private equity firm Mason Wells’ portfolio company, Nelipak® Corporation, Inc. has been acquired by another private equity firm Kohlberg & Company, L.L.C. The Cranston, Rhode Island-based Nelipak is a leading producer of custom-designed rigid healthcare packaging used for Class II and Class III medical devices and pharmaceutical drug delivery products. At the time of the acquisition, Nelipak operated seven production facilities – five in the Americas and two in Europe – and had 800+ employees. “We have accomplished a lot at Nelipak during the past six years, and we are very grateful for the support given to us by Mason Wells. Our future is very bright with Kohlberg,” said Mike Kelly, President and CEO of Nelipak.

May 2019 – Anchor Packaging LLC has been acquired by private equity firm, The Jordan Co. The Hermann family, which has owned Anchor Packaging for 56 years, will maintain some ownership in the Company. According to Plastics News, Anchor Packaging is ranked as No. 9 on the list of largest thermoformers in North America, with sales of \$350 million in 2017. Over the past 15 years, Anchor has been able to triple sales through organic growth, but now the Company is looking forward to influx of capital to help fuel additional growth. The Company uses polypropylene, polystyrene, and PET to make packaging including manufacturing cups and lids. “Now we are talking about transformative growth – broadening our geographic reach through additional manufacturing facilities, new and complementary product lines to better serve our customers and new materials to offer our customers,” stated Anchor CEO, Jeffrey Wolff.

April 2019 - EasyPak LLC, a portfolio company of Graham Partners, has announced the acquisition of James L. Villa, a third-generation family business with a respected presence in the packaging industry. James L. Villa manufactures thermoformed and injection molded products such as deli party platters, shrimp rings, cookie trays, and fruit bowls. The transaction fits within Graham Partners’ strategic vision for EasyPak. “We initially acquired EasyPak with the intention to build a top-tier mid-sized thermoformer,” said Steven Graham, CEO of Graham Partners. “With three subsequent complementary acquisitions completed to date, we are well on our way to achieving this vision.”

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

Global Blow Molding M&A

TRENDS IN M&A

- Blow Molding M&A activity for H1 2019 was flat with H1 2018 levels and is on track for another strong year
- Strategic buyers contributed the majority of deal volume in the first half of the year with a multi-year high of 10 transactions while private equity add-ons decreased by 3 transactions
- Transactions involving Blow Molders who primarily serve the Food & Beverage and Medical end markets increased by 3 and 4 deals year-over-year, while activity in the Consumer segment declined by 4 deals
- Blow Molding remains fragmented overall and continues to be a targeted segment for consolidation opportunities
- U.S. transactions had a notable decrease in volume while Foreign and Cross-border transactions experienced an increase

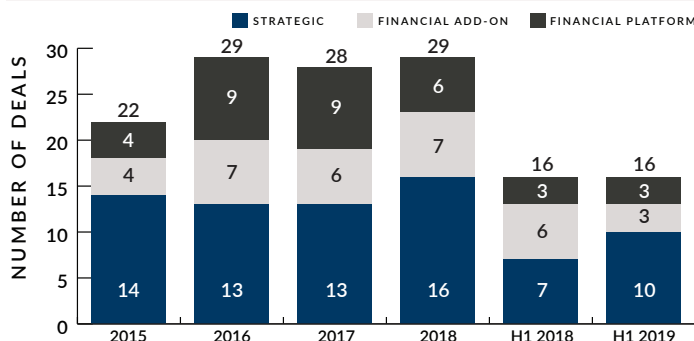
FEATURED SECTOR TRANSACTIONS

June 2019 – Consolidated Container Co. (CCC), a unit of Loews Corporation (NYSE:L), has acquired plastic packaging producer, Tri-State Distribution Inc. Tri-State was founded in 1992 and is based in Sparta, Tennessee where the company operates a 350,000 square feet manufacturing center. The Company also has distribution centers in Pennsylvania, Kansas, and Nevada. “The company has established an outstanding reputation for innovative packaging solutions with excellent quality and customer service in the pharmaceutical packaging market,” stated Sean Fallmann, CEO of CCC. According to Plastics News, CCC was No. 6 in the latest ranking of largest blow molders in the North American region with more than \$950 million of sales annually.

May 2019 - Logoplaste has acquired the bottle blow molding production facility of Tomlinsons, one of UK’s largest family-owned dairies. The acquisition of the facility, located in Wrexham, will help Logoplaste bring its expertise in the rigid plastic packaging industry while also allowing Tomlinsons to focus on its core dairy business. “We will be inputting all our rigid plastic packaging expertise and innovative ideas to produce best-in-class sustainable bottles,” stated Gerardo Chiaia, CEO of Logoplaste. Currently, Logoplaste operates 63 facilities across 16 countries, supplying plastic packaging to customers in the food & beverage, personal care, cosmetics, household care and oil and lubricant sectors.

March 2019 - Western Industries Plastics Products LLC, a portfolio company of Speyside Equity LLC, has been acquired by Littlejohn Capital, LLC. Western Industries is a niche technical manufacturer of large blow molded products and has been operating for more than 30 years. Angus C. Littlejohn Jr., founder and Chairman of Littlejohn Capital, commented on the transaction, “Western has a unique competence in large blow molding and manufactures some of the largest and most complex products in the industry. The Company’s complex blow molding machines offer extraordinary manufacturing and product flexibility to handle virtually any blow molded product size, shape or complexity and serves as a critical supplier and one-stop strategic partner to many of its customers.” Angus C. Littlejohn III, Director of Littlejohn Capital, added, “Western’s turnkey solutions and manufacturing capability position the company very well to participate in the sustained growth of the blow molded plastics market and the positive dynamics within its end markets. There are a number of near-term strategic growth opportunities with new and existing customers that management expects to capitalize on and we look forward to partnering with them to attain its goals.”

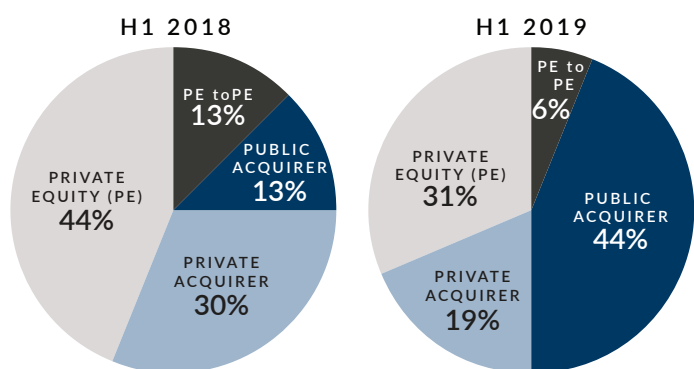
TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

	H1 2018	H1 2019
Food & Beverage	5	8
Industrial	4	1
Consumer	7	3
Construction	-	-
Medical	-	4
Automotive / Transportation	-	-
Electronics	-	-
Total	16	16

BUYER TYPE

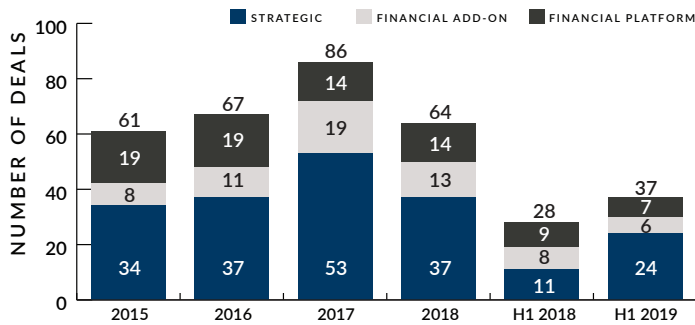


CROSS-BORDER DETAIL

	H1 2018	H1 2019
U.S.-to-U.S.	7	3
U.S.-to-Foreign	-	1
Foreign-to-U.S.	-	1
Foreign	9	11
Total	16	16

Other Global Plastic Processing Activity

TRANSACTIONS BY BUYER TYPE



TRENDS IN M&A

- M&A activity involving other plastic process types, including Rotational Molding, Foam, Pipe & Tube, Profile Extrusion, and Composites, increased by 32%, or 9 deals, in H1 2019 compared to the same period in 2018
- The volume of deals completed in Construction increased significantly in H1 2019 by 12 deals. This growth was driven in part by infrastructure-related extruded pipe acquisitions
- Private equity buyers experienced a decrease in the proportion of total deal volume during H1 2019 while strategic buyer activity significantly increased to 24 transactions
- Foreign transactions experienced a sizeable increase in H1 2019, rebounding after a significant decline during 2018. U.S. transactions remained at a healthy volume despite a minor decrease year-over-year

TRANSACTIONS BY END MARKET

	H1 2018	H1 2019
Food & Beverage	1	-
Industrial	15	19
Consumer	1	2
Construction	1	13
Medical	4	1
Automotive / Transportation	5	2
Electronics	1	-
Total	28	37

FEATURED SECTOR TRANSACTIONS

Laminated Tubes

April 2019 - Private Equity fund Blackstone Group has agreed to acquire a majority stake in Indian packaging company Essel Propack Ltd for as much as Rs 3,211 crore (\$460 million). Established in 1982, EPL is the world's largest maker of laminated tubes used by FMCG and pharmaceutical companies, employing 3,158 in 10 countries, and making 7 billion tubes annually. The Company has 20 factories and saw sales growth of 10% in 2018 to \$380 million, compared to an industry growth rate of 2% "Leveraging the ongoing industry shift to laminated tubes and EPL's leadership position in oral care, our plan is to accelerate growth in fast-growing end categories such as beauty, cosmetics and pharmaceuticals," said Amit Dixit of Blackstone Group.

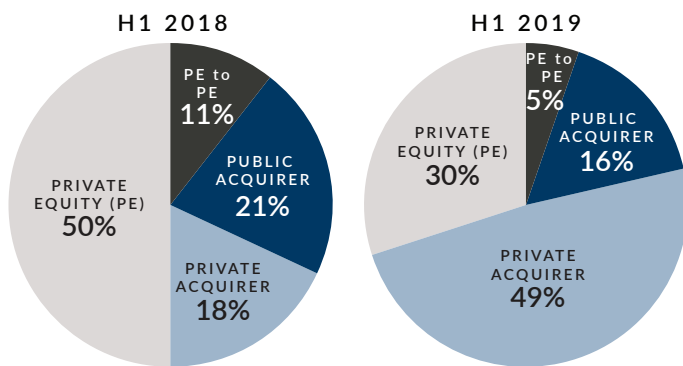
Rotomolding

March 2019 - Olympus Partners has acquired Tank Holding Corp for the second time in a decade. The terms of the transaction were not disclosed. The Stamford, CT based private equity firm originally formed Tank with the management team in 2008 by merging Norwesco and Snyder Industries, creating the leading manufacturer and marketer of rotationally modeled polyethylene tanks and containers. Besides being a leader in the manufacturing of plastic tanks used to store and transport bulk liquids for a variety of industries, Tank's product portfolio also includes dry material handling bins, insulated containers, steel transport tanks, medical waste containers, and specialty pallets.

Material Sciences

March 2019 - One Rock Capital Partners, LLC announced that one of its affiliates has entered into a definitive agreement with Newell Brands to acquire its Process Solutions business. Headquartered in Greenville, South Carolina, Process Solutions is a manufacturer and material sciences company that offers custom-designed plastic, nylon, monofilament and zinc products in the health care, consumer, and industrial end markets. Process Solutions is also the primary supplier of copper-plated zinc penny blanks to the United States Mint as well as a supplier of coinage to other countries. Tony W. Lee, Managing Partner of One Rock, commented, "Process Solutions develops a wide variety of high-quality products that serve diverse end markets and surround us every day. One Rock has substantial experience investing in specialty manufacturing businesses, and we intend to build upon the company's success in delivering highly engineered solutions for its blue-chip customers."

BUYER TYPE

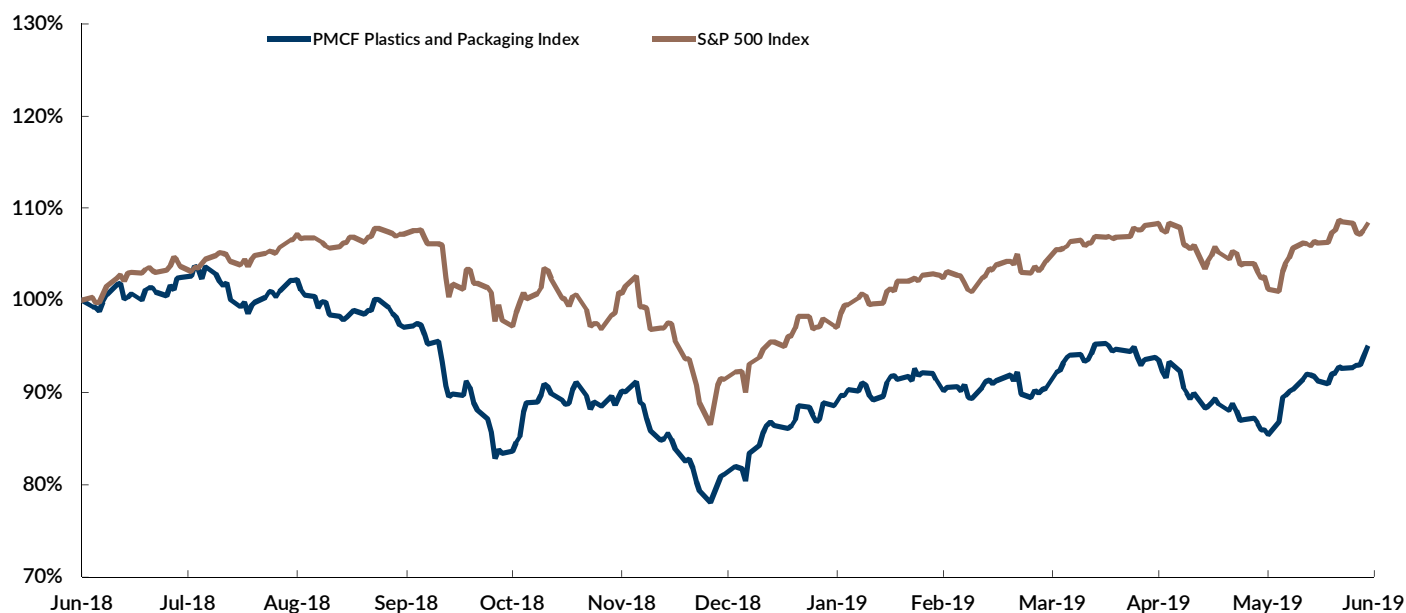


CROSS-BORDER DETAIL

	H1 2018	H1 2019
U.S.-to-U.S.	17	15
U.S.-to-Foreign	1	1
Foreign-to-U.S.	1	2
Foreign	9	19
Total	28	37

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

PMCF Plastics & Packaging Index



Index includes the following publicly traded companies: AMC, ATR, AVY, BLL, BERY, CCL.B, CLN, POM, CMT, ESNT, FOE, HUH1V, ITP, LYB, MYE, SLGN, NPK, POL, SEE, SIM, SOLB, SON, TCL.A, TG, WLK, WPK, IPLP, NWL

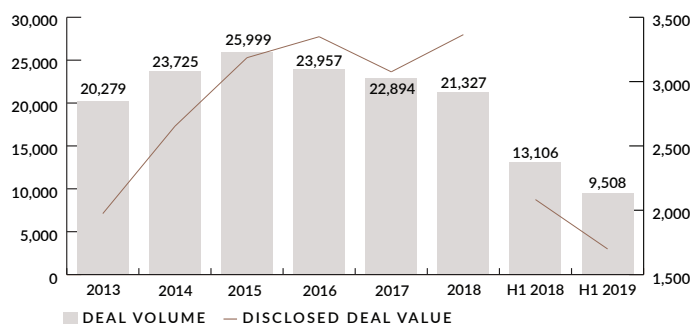
PMCF PLASTICS & PACKAGING STOCK MARKET INDEX VALUATION

	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19
Revenue Multiple									
Average	1.6x	1.5x	1.5x	1.5x	1.5x	1.5x	1.3x	1.3x	1.4x
Median	1.4x	1.5x	1.5x	1.5x	1.4x	1.4x	1.3x	1.3x	1.3x
EBITDA Multiple									
Average	10.3x	10.3x	10.4x	10.0x	10.1x	9.8x	9.8x	9.2x	10.1x
Median	10.8x	11.0x	10.9x	10.7x	9.9x	9.8x	9.0x	9.5x	9.7x

- The Plastics & Packaging index continues to lag the S&P 500, but has made a significant improvement after a drag in performance during 2018
- Average EV/EBITDA multiples rebounded to 10x after a period of three quarters with sub-10x multiples

OVERALL M&A ACTIVITY (NORTH AMER. & EUROPE)

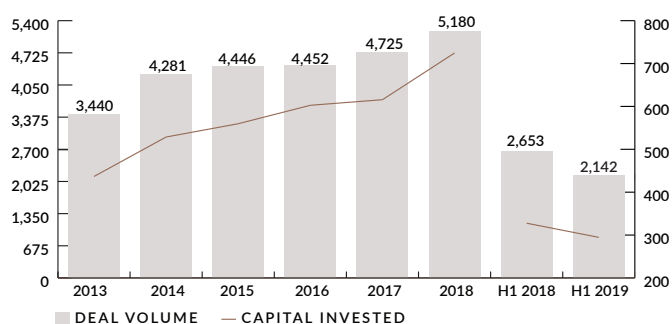
(dollars in billions)



- Global M&A activity through H1 2019 saw a decline in deal volume, however, there has been a plethora of large multi-billion dollar deals that have been announced and are expected to close by year end. Multiples are also elevated as the median deal size continues to rise
- Overall year-to-date deal volume by U.S. private equity firms has remained strong despite a decline compared to the first half of 2018. The strong market can be partially contributed to a recovery in the leveraged lending market sparking confidence in dealmakers and lessened financing costs. On the other side of the spectrum, exit count in H1 2019 has been below historical rolling averages, showing that private equity firms have been focused on growing current investments organically and inorganically to increase value
- Private equity buyers in plastics & packaging decreased their mix of deals considerably in H1 2019 to 44% of total deal volume compared to 54% in H1 2018, driven by a decline in platform deals as some private equity firms have struggled to compete with strategic buyer and private equity add-on valuations

U.S. PRIVATE EQUITY INVESTMENTS

(dollars in billions)



*Overall M&A activity Includes all transactions with at least one company based in North America or Europe
Sources: Capital IQ, PitchBook, Thomson Reuters, Company Reports and PMCF Estimates.



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SELECT PMCF TRANSACTIONS:



Two-time winner, Boutique Investment Banking Firm of the Year by M&A Advisor

Awarded, Cross Border Corporate and Strategic Acquisition of the Year by M&A Advisor

Awarded, Cross Border M&A Deal of the Year by M&A Advisor

Awarded, Deal of the Year by ACG Detroit

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