

PMCF's Plastics & Packaging Monthly M&A Update is meant to supplement our semi-annual M&A reports and provide our contacts with more frequent information on M&A activity in the dynamic plastics and packaging industries

## PMCF INDUSTRY M&A ACTIVITY TRACKING

M&A activity for the month of November continued to be strong in packaging with reported deals increasing by 11.5% compared to last year. The Paper Packaging sub-segment drove a large part of this increase which we believe is due in part to increased attractiveness of paper in single-use packaging applications. Conversely, Global Plastics M&A reported another monthly decline in November which was partly attributable to lower activity in the Film sub-segment. Plastics M&A activity in total is still slightly ahead of last year so we are not drawing any conclusions from the decline over the last two months.

Strategic buyer activity picked up in both sectors compared to last month and add-on acquisitions continue to represent the majority of private equity transactions. Purchase price multiples and debt financing remain strong based on the deal activity that we've seen or that has been publicly disclosed. Total M&A activity for 2019 in both Plastics and Packaging sectors is tracking to finish at similar levels to 2018, which would represent another strong year of M&A.

Data as of November 30, 2019	Month-to-Date (MTD)			Year-to-Date (YTD)		
Plastics	2018	2019	Change	2018	2019	Change
Blow Molding	3	1	-2	27	24	-3
Injection Molding	7	7	0	77	91	14
Film	10	6	-4	69	54	-15
Resin / Color & Compounding	4	3	-1	40	39	-1
Sheet & Thermoforming	2	4	2	37	28	-9
Specialty	6	4	-2	59	76	17
<b>Total Plastics</b>	<b>32</b>	<b>25</b>	<b>-7</b>	<b>309</b>	<b>312</b>	<b>3</b>
Strategic	56%	56%	0%	53%	55%	2%
Financial Buyer - Add-on	31%	36%	5%	24%	26%	2%
Financial Buyer - Platform	13%	8%	-5%	23%	19%	-4%
Packaging	2018	2019	Change	2018	2019	Change
Rigid Plastic	6	4	-2	68	70	2
Flexible Plastic	5	5	0	55	51	-4
Paper	11	17	6	102	109	7
Other	4	3	-1	46	42	-4
<b>Total Packaging</b>	<b>26</b>	<b>29</b>	<b>3</b>	<b>271</b>	<b>272</b>	<b>1</b>
Strategic	46%	59%	12%	60%	54%	-5%
Financial Buyer - Add-on	35%	34%	0%	21%	27%	7%
Financial Buyer - Platform	19%	7%	-12%	20%	18%	-1%

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

## NOTABLE M&A ACTIVITY

Date	Target	Acquirer	Category
11/27/19	Paper & Woven PP Packaging Operations of Transcontinental	Hood Packaging Corporation	Folding Cartons
11/26/19	Polymer Additives Div. of Polymer Solutions Group	The Jordan Company, L.P.	Color & Compounding
11/25/19	Flexographic Packaging Co.	Advanced Barrier Extrusions, LLC	Film / Flexible Packaging
11/22/19	P.W. Masterchem S.J.	Logoplaste Group S.a r.l.	Bottles / Rigid Packaging
11/21/19	Davis Core & Pad Company	Drew Foam Companies, Inc.	Foam / Rigid Packaging
11/19/19	Plantgistix Holdings, LLC	A&R Logistics, Inc.	Resin Supplier
11/18/19	Chem-Tainer Industries, Inc.	Tank Holdings Corp.	Rotomolding
11/18/19	Thermoforming business of ESCO Technologies	Sonoco Products	Thermoforming / Rigid Packaging
11/13/19	Accent Plastics, Inc.	Syntech Development & Manufacturing	Injection Molding
11/04/19	LBP Manufacturing LLC	Sabert Corporation	Folding Cartons

## PUBLIC ENTITY PERFORMANCE

Index	% Change November MTD	% Change November YTD
S&P 500 Index	↑ 3.4%	↑ 25.3%
PMCF Plastics & Packaging Index <sup>(1)</sup>	↑ 2.0%	↑ 16.7%
Rigid Plastic Packaging <sup>(2)</sup>	↑ 2.0%	↑ 10.0%
Flexible Plastic Packaging <sup>(3)</sup>	↑ 0.7%	↑ 11.1%
Other Packaging <sup>(4)</sup>	↓ -0.2%	↑ 30.9%
Paper Packaging <sup>(5)</sup>	↑ 5.6%	↑ 19.6%

(1) AMC, ATR, AVY, BLL, BERY, CCLB, CLN, POM, CMT, ESNT, FOE, HUH1V, ITR, LYB, MYE, SLGN, NPK, POL, SEE, SIM, SOLB, SON, TCLA, TG, WLK, WPK, IPLP, NWL (2) ATR, BERY, IPLP, NPK, SLGN, SON (3) AMC, HUH1V, SEE, TCLA, WPK (4) AVY, BLL, CCLB, CCK, GXI, OI, TSE:5901 (5) CAS, SMDS, GPK, GEF, IP, MNDI, PKG, SK3, WRK

## MAJOR NEWS

- Private-Equity Cash Piles Up as Takeover Targets Get Pricier (*Wall Street Journal*)
- US GPD rises by 2.1% in 3Q 2019 (*Fastmarkets RISI*)
- US economic activity in manufacturing sector expands in November for 127th consecutive month – ISM (*Fastmarkets RISI*)
- K 2019 gives a clear signal for responsible handling of plastics (*ETMM*)

For more information, check out our new website, where you can access the electronic version of this report, sign up for future emails, read our latest industry reports, and more!

## ABOUT PMCF'S PLASTICS & PACKAGING GROUP

PMCF's Plastics and Packaging investment bankers are dedicated solely to serving the needs of middle-market transactions within the plastics and packaging industries. Our exclusive focus on plastics and packaging sale, merger, and acquisition advisory provides significant advantages to our clients and the opportunity to maximize value in a transaction. PMCF's extensive coverage of these industries has provided us with specialized, in-depth knowledge of the sector dynamics and relationships with the majority of the key strategic and financial industry players. Our firm has been serving the plastics and packaging industries for over 20 years and has a long track record of successful transactions involving specialty, niche players in these industries.

Please let us know if you would like to set up a confidential call or meeting. My contact information is john.hart@pmcf.com or 248.223.3468.

Rigid Packaging

Flexible Packaging

Engineered Products

Corrugated & Paper Packaging

Blow Molding

Injection Molding

Extrusion

Specialty Film

Color & Compounding

Printing & Labeling

Thermoforming

Packaging Machinery

## RECENT PMCF PLASTICS & PACKAGING TRANSACTIONS



**SPECIALTY PAPER & LUXURY PACKAGING**



**INJECTION-TO-BLOW MOLDED PACKAGING**



**THERMOFORMED PACKAGING, FOLDING CARTONS**



**CORRUGATED PACKAGING**



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

Awarded, Manufacturing Deal of the Year by MiBiz



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