

PLASTICS M&A QUARTERLY

2017 YEAR IN REVIEW



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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



has been acquired by



ENGINEERED COMPONENTS
Extrusion, Molding, and Fabrication
Company Sale to Strategic Partner

ABOUT PMCF

P&M Corporate Finance (“PMCF”) is an investment banking and M&A advisory firm, focused on middle market transactions, with professionals in Chicago, Detroit, and globally in 27 countries through its 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 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.

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2017 Market Summary & Outlook

Plastics M&A volume remained steady through Q4 2017, resulting in 359 total transactions for the year. Up 23 deals (or 7%) over 2016, the industry experienced its strongest year for M&A since 2012. Notably both strategic buyers and private equity add-ons drove deal volumes higher, increasing by 16 and 11 transactions respectively over 2016.

Within global plastics, packaging M&A activity remains at elevated levels with 126 total transactions for the year, with growth driven primarily by consolidation within the rigid packaging and bottle segments. From a cross-border viewpoint, U.S.-based buyers had a decreasing role in global plastics M&A in 2017 due in part to the weakening of the U.S. dollar. Rebounding from a down year in 2016, the number of transactions involving foreign buyers increased to 229 deals, up 31 over 2016 and in-line with the 5-year historical average.

Key 2017 plastics M&A trends included the following:

- Average stock market valuations for publicly traded plastics and packaging companies increased by 1.1x, from 10.1x EV/EBITDA in Q4 2016 to 11.2x in Q4 2017
- The volume of building products deals increased significantly from 17 transactions in 2016 to 36 in 2017 as companies are seeking to capitalize on rising demand for new homes and remodeling
- On a sector basis, volume growth was driven by injection molding and resin / color & compounding activity, increasing by 12 and 6 transactions, respectively. This growth was partially offset by declines in film and sheet & thermoforming
- Transaction mix shifted in plastic packaging as flexible packaging transactions decreased by 6 deals in 2017 and rigid packaging activity increased by 3 deals year-over-year

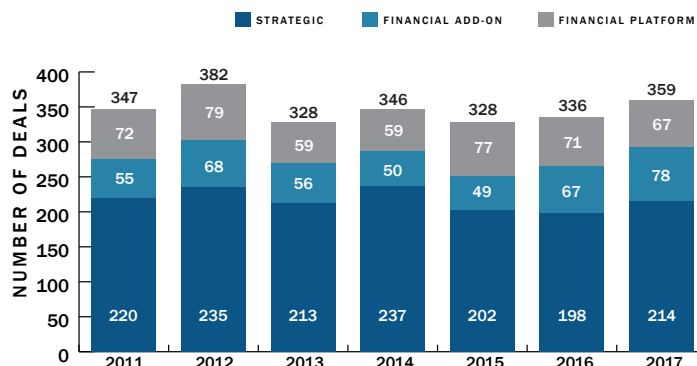
Marquee transactions for Q4 2017 included the following:

- Crown Holdings' (NYSE:CCK) acquisition of Signode Industrial Group for \$3.9 billion
- Genstar Capital's acquisition of Tekni-Plex for \$1.5 billion
- Carlisle Companies' (NYSE:CSL) acquisition of Accella Performance Materials Inc. for \$670 million
- Berry's (NYSE:BERY) acquisition of Clopay Plastic Products Company for \$475 million

2017's robust activity levels and valuations reflect a strong M&A environment for plastics and packaging and what is clearly a "seller's market." Pricing for plastics and packaging deals are at multi-year highs. We expect this trend to continue throughout 2018, with M&A activity driven by significant available capital, low cost of debt, and the large number of buyers seeking acquisitions to bolster organic growth. Shareholders within plastics and packaging should take note of these buyer dynamics and attractive valuations available in today's M&A market, as well as the extended length of the current M&A cycle, if they are contemplating a potential exit in the near future.

Sector	2014	2015	2016	% of Total	2017	% of Total	'16 - '17 Change	% Change
Blow Molding	23	22	29	9%	28	8%	-1	-3%
Injection Molding	95	102	91	27%	103	29%	12	13%
Film	65	59	73	22%	65	18%	-8	-11%
Resin / Color & Compounding	72	54	43	13%	49	14%	6	14%
Sheet & Thermoforming	23	30	33	10%	28	8%	-5	-15%
Specialty	68	61	67	20%	86	24%	19	28%
Total	346	328	336	100%	359	100%	23	7%

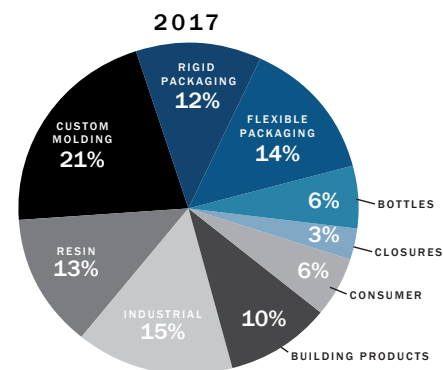
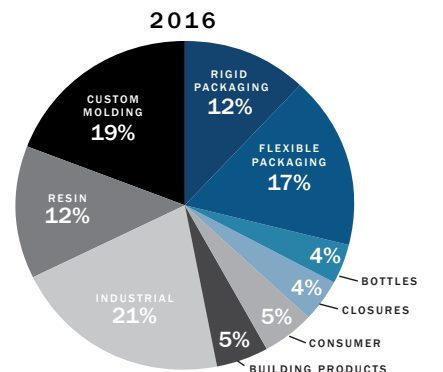
TRANSACTIONS BY BUYER TYPE



TOTAL PLASTICS M&A BY QUARTER

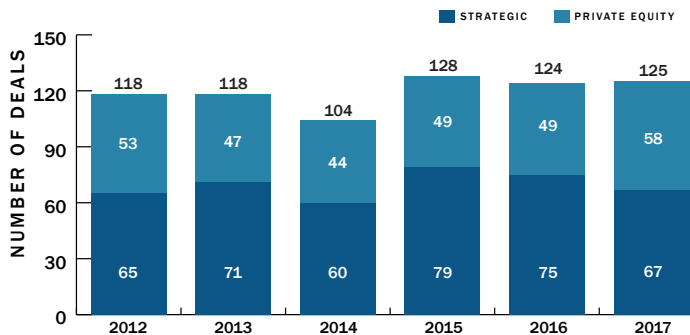
Q3 '16	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17
89	86	96	83	94	85

TRANSACTIONS BY PRODUCT SEGMENT



Global Plastic Packaging M&A

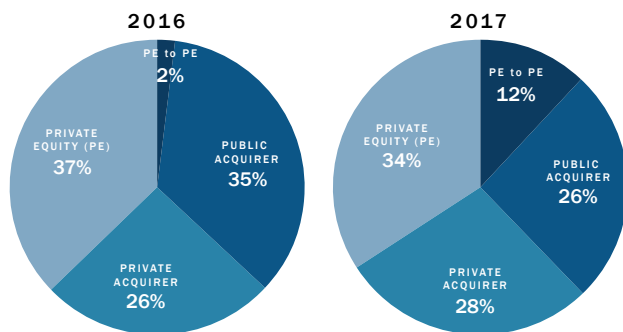
TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

	2016	2017
Food & Beverage	58	65
Industrial	24	27
Consumer	31	20
Construction	-	1
Medical	11	11
Automotive	-	-
Transportation	-	1
Electronics	-	-
TOTAL	124	125

BUYER TYPE



PACKAGING TRANSACTION DETAIL

	2016		2017	
	#	% Packaging	#	% Packaging
Rigid	40	33%	42	34%
Flexible	56	45%	50	40%
Bottles	13	10%	21	17%
Caps & Closures	15	12%	12	9%
TOTAL	124	100%	125	100%

TRENDS IN M&A

- Packaging transaction volume remained healthy in 2017 supported by an 18% year-over-year increase in private equity deal flows
- Flexible packaging deal volume decreased by 6 deals, representing a 11% decline in 2017. The reduction in overall deal activity was driven by lower strategic acquisitions
- M&A activity in consumer packaging declined by 11 deals year-over-year as fewer deals occurred involving manufacturers of personal care and cosmetics packaging
- In 2017, bottles transaction volume increased by 8 deals, representing a substantial 62% increase year-over-year. High levels of consolidation have resulted in lower deal volume for the bottles segment in recent years, however 2017 included the sale of notable private equity bottle platforms Consolidated Container Company, IntraPac International, and Ipackchem Group. Additionally, there were 5 private equity add-ons in the bottle segment including acquisitions completed by Pretium Packaging, Plastic Industries, and Alpha Packaging

FEATURED SECTOR TRANSACTIONS

December 2017 – Crown Holdings, Inc. (NYSE: CCK) announced that it has entered into an agreement to acquire Signode Industrial Group from The Carlyle Group. The transaction was valued at \$3.9 billion and represents 10.4x Signode's EBITDA. Crown produces steel and aluminum cans for food and beverages, while Signode is a leading supplier of transit packaging systems and solutions. The target operates in 40 countries across 6 continents, with sales to customers in approximately 60 countries. Commenting on the transaction, Timothy J. Donahue, President and Chief Executive Officer of Crown, stated, "With this acquisition, we add a portfolio of premier transit and protective packaging franchises to our existing metal packaging business, thereby broadening and diversifying our customer base and significantly increasing our cash flow." Signode was acquired by The Carlyle Group in 2014 from Industrial Tool Works for \$3.2 billion in 2014.

October 2017 – Private equity firm Genstar Capital has announced the acquisition of Tekni-Plex for \$1.45 billion or approximately 10.0x EV/EBITDA. Based in Wayne, PA, Tekni-Plex produces packaging materials, medical compounds and medical tubing. The company employs approximately 2,500 employees and serves the medical, pharmaceutical, personal care, household & industrial, and food & beverage markets. Prior to the Genstar acquisition, Tekni-Plex was acquired by American Securities in 2013. Commenting on the transaction, David Golde, Director at Genstar, stated, "Through Genstar's successful investments in the medical device outsourced manufacturing, pharmaceutical services and packaging industries, we have great conviction in Tekni-Plex's business model and the opportunity to meaningfully grow Tekni-Plex through investments in assets, technology and strategic M&A."

October 2017 – Apax Partners announced a definitive agreement to acquire Tosca Services, LLC. Based in Atlanta, GA, Tosca is a leading provider of supply chain solutions and reusable packaging to the perishable markets of protein, eggs, produce and cheese. Tosca's product mix primarily consists of reusable crates rather than frequently used corrugated boxes. Commenting on the acquisition, Ashish Karandikar, a partner at Apax Partners, stated, "In today's complex and fast-changing grocery environment, challenged by increasing pricing competition, grocers need a solution like Tosca's that drives supply chain efficiency and simplicity while also positively impacting the environment."

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

Global Injection Molding M&A

TRENDS IN M&A

- As the most active processing type for plastics M&A, Injection Molding transactions represented 29% of 2017 total deal volume, up by 12 deals versus 2016 levels
- The increase in sector activity was driven by buyers outside of the U.S., as deals involving a foreign acquirer totaled 66 transactions in 2017 compared to 52 in 2016
- The food & beverage end market had 13 deals in 2017, up from just 4 in 2016, as injection molded packaging transactions increased substantially year over year. These deals included manufacturers of closures, preforms, thin-wall containers, and bulk/reusable packaging for food & beverage applications
- Deal activity in medical and consumer end markets declined in 2017 following two years of elevated volume. This trend is likely due to a lack in the availability of quality acquisitions targets, versus declining buyer interest, as medical and consumer markets remain among the most attractive for both strategic and private equity acquirers

FEATURED SECTOR TRANSACTIONS

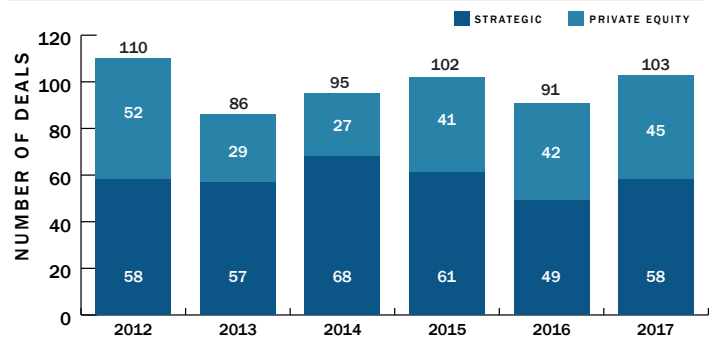
November 2017 – French private equity firm, Ardian announced that its North American team has reached an agreement to acquire a 100% interest in Ohio-based Revere Plastics Systems. Founded in 2005, Revere Plastics is a designer and manufacturer of plastic injection molded parts for the appliance, automotive, outdoor power equipment, medical and consumer goods industries. The company operates four facilities across Ohio, Indiana, Missouri and Ontario and employs ~1,100 employees. Revere’s capabilities include value-add plastic injection molding, insert and multi-shot molding, IML/IMD decorating, laser etching, assembly, numerous types of welding, inspection and leak testing. Commenting on the transaction, Vincent Fandozzi, Head of Ardian North America Direct Buyouts, stated, “Revere’s highly-capable leadership, blue-chip customer base, and its value-add capabilities gave us great confidence in the company’s potential and we foresee expansion opportunities for the company ahead.”

October 2017 – Fairway Injection Molds, Inc. and Integrity Mold Inc. have been acquired by Westfall Technik, Inc., a newly formed holding company, which provides plastics manufacturing solutions for medical, packaging and consumer goods markets. Westfall Technik was founded by Brian Jones, a former Nypno executive and plastics industry veteran, alongside private equity partners Lee Equity and Blackburn partners. According to the press release, Westfall is in active acquisition discussions with other tool makers and injection molders and will execute a buy and build strategy to scale the new platform. Rahul Nand, Partner at Lee Equity said, “We are excited to support Brian and the team as they execute on their vision to create a market leading plastics solutions provider. We look forward to continuing their long-term track record of success in delivering high performance results through Westfall Technik.”

November 2017 – Comar, a Graham Partners portfolio company, announced its acquisition of Shore Plastic Technologies for an undisclosed amount. Based in Millville, New Jersey, Shore Plastic is a market leading design and engineering firm focused on the medical, diagnostic, pharmaceutical and CPG industries. The company’s service offering includes product design and development, injection mold design, project engineering, and mold and process validation. Commenting on Shore Plastic, Mike Ruggieri, CEO of Comar, stated, “They have excellent customer relationships and strategic assets and capabilities that will enable us to better serve existing and potential customers.” The acquisition of Shore Plastic is a strong fit with Comar’s end market focus on medical device, diagnostic, pharmaceutical, and CPG market segments.

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

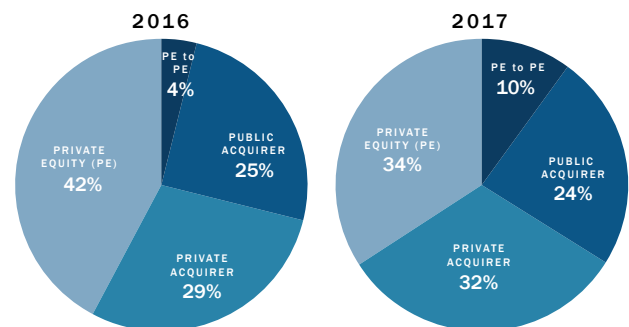
TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

	2016	2017
Food & Beverage	4	13
Industrial	22	25
Consumer	26	19
Construction	2	2
Medical	18	11
Automotive	17	23
Transportation	1	2
Electronics	1	8
Total	91	103

BUYER TYPE

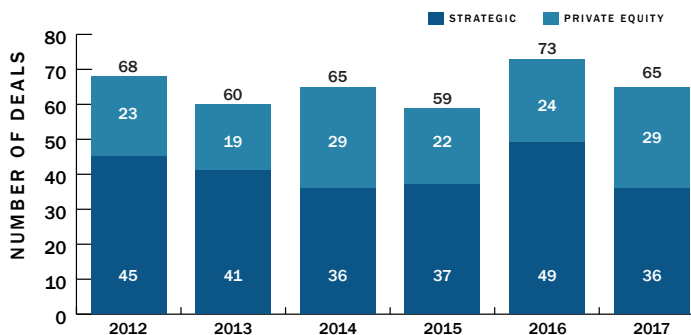


CROSS-BORDER DETAIL

	2016	2017
U.S.-to-U.S.	32	30
U.S.-to-Foreign	7	7
Foreign-to-U.S.	3	5
Foreign	49	61
Total	91	103

Global Film M&A

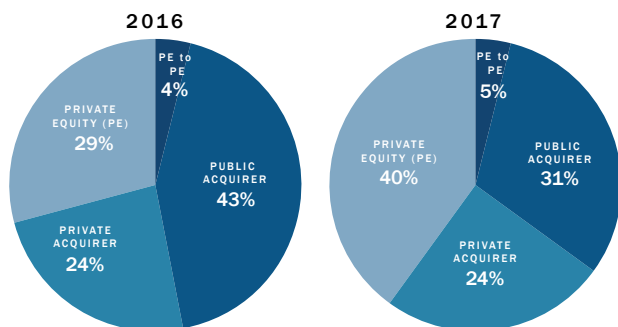
TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

	2016	2017
Food & Beverage	38	30
Industrial	19	16
Consumer	9	9
Construction	1	1
Medical	4	5
Automotive	-	2
Transportation	1	-
Electronics	1	2
Total	73	65

BUYER TYPE



CROSS-BORDER DETAIL

	2016	2017
U.S.-to-U.S.	19	16
U.S.-to-Foreign	8	6
Foreign-to-U.S.	7	2
Foreign	39	41
Total	73	65

TRENDS IN M&A

- The Film segment experienced the largest decline in deal volume in 2017, with global activity falling by more than 10%, and the number of deals involving a U.S.-based target declining by over 30%
- A shift in buyer dynamics occurred in 2017 as private equity buyers accounted for 45% of transactions volume, up from 33% in 2016, and increasing by 5 deals year over year. The up-tick in private equity deal volume was supported by increases in both platform and add-on acquisitions
- The film segment averaged 19 deals per quarter from Q1 2016 to Q3 2017. The annual decrease in segment transactions was driven by reduced fourth quarter activity, with just 7 film deals occurring in Q4 2017. The trend in Q4 2017 is likely a result of deal timing as the film segment features numerous active consolidators, particularly in flexible packaging

FEATURED SECTOR TRANSACTIONS

November 2017 – Berry Global Group, Inc. (NYSE:BERY) announced that it has entered into a definitive agreement to acquire the Clopay Plastic Products Company, Inc., a subsidiary of Griffon Corporation (NYSE:GFF), for \$475 million or approximately 9.0x EBITDA. Clopay is a global supplier of printed breathable and elastic films and laminates focused on markets including hygiene, healthcare, construction and industrial protective apparel. Clopay has approximately 1,500 employees with locations in the United States, Germany, Brazil, and China. Clopay recorded \$461 million in sales and \$53 million in EBITDA for its fiscal year ended September 30, 2017. “We are extremely excited with what Clopay’s global capabilities and unique technology platform will add to our organization. The combination of Clopay with Berry’s Health, Hygiene, and Specialties division broadens our position within the faster growing health and hygiene markets. Clopay will bring Berry new capabilities in the production of technical films, where they are a known innovator with patent protected breathable hygiene films.” said Tom Salmon, CEO of Berry.

December 2017 – Novolex, a portfolio company of The Carlyle Group announced it has agreed to acquire Shields Bag and Printing Co. Based in Yakima, Washington, Shields Bag and Printing is a leading manufacturer of custom engineered flexible packaging products. The company was founded in 1935 and ranks among the leading North American producers of flexible packaging, with expertise in film extrusion, printing, bag making and other converting processes. Commenting on the transaction Lisa Shields, CEO of Shields, stated, “This is an ideal fit. Novolex leadership is very much aligned with our principles at Shields. They are committed to employee safety and welfare, as well as the communities where they live and work. That’s very important to the Shields’ Family and it was an essential requirement for the transaction.”

October 2017 – Snow Phipps Group announced its acquisition of Brook and Whittle from RFE Investment Partners and Charter Oak Equity. Brook and Whittle provides labels in pressure sensitive and shrink film formats to consumer and medical end markets. Ian Snow, CEO and Partner of Snow Phipps Group, said: “We are very excited to partner with a market leading producer in Brook and Whittle. We are confident that the Company is well-positioned to capitalize on significant growth opportunities, and look forward to supporting our investment with additional capital for growth projects and follow-on acquisitions.”

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

Global Resin and Color & Compounding M&A

TRENDS IN M&A

- Transactions in the resin and color & compounding sector were up by 14% in 2017, or 6 deals, following a 5-year low point of 43 deals in 2016
- 2017 growth was due in part to increased activity in color & compounding, which accounted for 49% of segment deals in 2017, as diversified chemical companies looked to M&A to expand their product offering and capabilities in specialty color & compounding markets
- Strategic buyers were increasingly active in segment M&A, with the strategic deal count increasing from 29 in 2016 to 38 in 2017. The majority of strategic buyer activity has been driven by large public consolidators expanding internationally and seeking growth via M&A
- Global private equity M&A in resin and color & compounding was down by 3 deals in 2017 despite steady activity involving U.S.-based targets. Domestic targets accounted for 73% of total segment deals that involved a private equity buyer, up from 55% in 2016

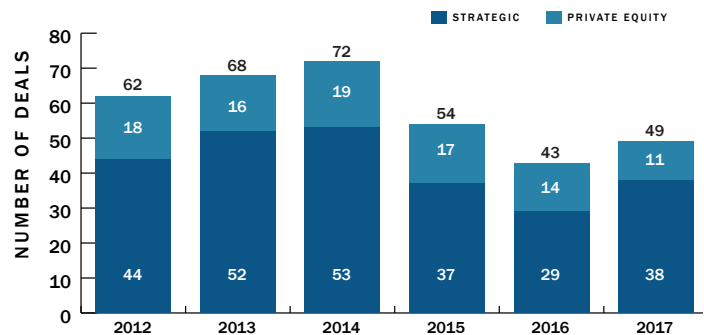
FEATURED SECTOR TRANSACTIONS

December 2017 – Celanese Corporation (NYSE:CE), a global specialty materials company, announced the signing of a definitive agreement to acquire Omni Plastics and its subsidiaries, including the distributor Resinal de Mexico. Omni Plastics is headquartered and has a compounding facility in Evansville, Indiana, with additional offices in Mexico City. Omni Plastics specializes in custom compounding of various engineered thermoplastic materials. “Engineered thermoplastics continues to be a material of choice in automotive, electrical and electronics, consumer goods and industrial markets and Omni Plastics strengthens Celanese’s presence in these strategic areas as well as brings expanded presence in office furniture, filtration, lawn/garden, and other specialty materials applications,” said Scott Sutton, Chief Operating Officer, Celanese. “This acquisition further strengthens our global asset base by adding compounding capacity in the Americas to enable Celanese to continue to support a growing and diverse customer base.”

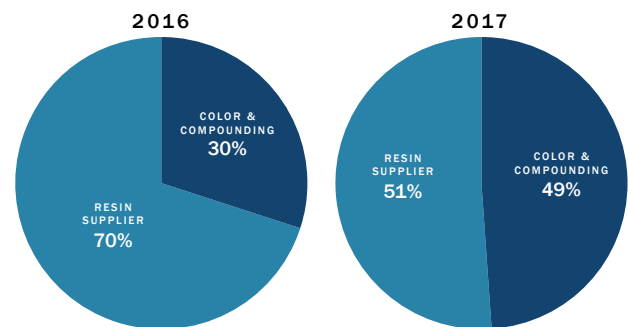
October 2017 - Private equity firm Arsenal Capital Partners announced its acquisition of Carolina Color Corporation and Breen Color Concentrates, LLC alongside the management teams of each company. The combined entity creates a more competitive specialty color and additive concentrate supplier with five manufacturing facilities throughout the U.S. Carolina Color is a supplier of custom color concentrates for the plastics industry serving customers across multiple end markets. Breen is a supplier of custom color concentrates focused on PVC resins in wire & cable, packaging, and consumer end markets.

October 2017 – Wind Point Partners’ portfolio company Aurora Plastics, a supplier of polyvinyl chloride (PVC) compounds, announced its acquisition of compounder S&E Specialty Polymers of Lunenburg, Massachusetts. The deal was Aurora Plastics’ second acquisition in 2017 and represents provided for expansion into thermoplastic elastomers (TPEs) and further capabilities in PVC. Aurora Plastics now operates four PVC compound production facilities located in Ohio, North Carolina, Quebec; and Massachusetts. The Lunenburg, Massachusetts facility will also produce CPE, TPO, plastic concentrates and LSOH compounds.

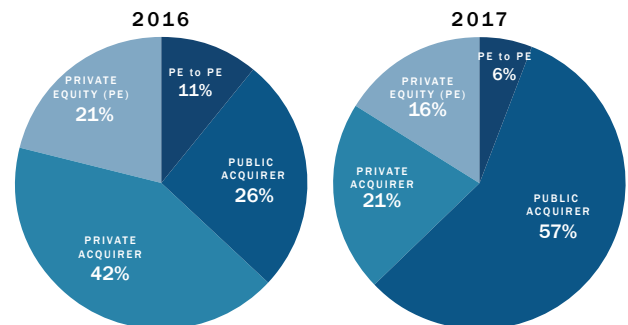
TRANSACTIONS BY BUYER TYPE



TRANSACTION SECTOR DETAIL



BUYER TYPE

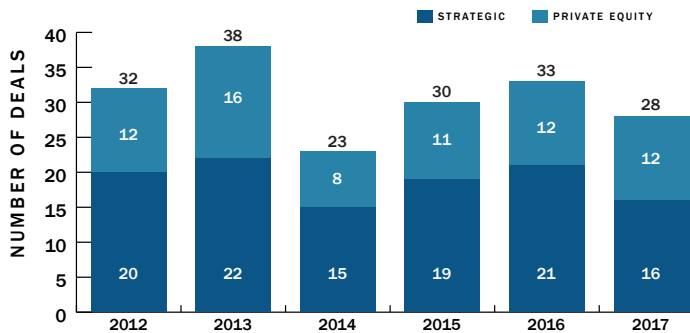


CROSS-BORDER DETAIL

	2016	2017
U.S.-to-U.S.	11	11
U.S.-to-Foreign	8	8
Foreign-to-U.S.	3	7
Foreign	21	23
Total	43	49

Global Sheet and Thermoforming M&A

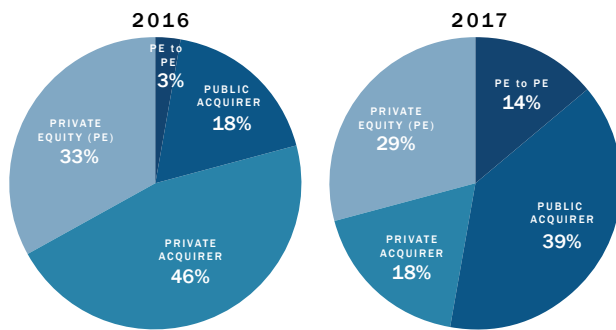
TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

	2016	2017
Food & Beverage	8	13
Industrial	11	5
Consumer	6	3
Construction	-	3
Medical	2	3
Automotive	6	-
Transportation	-	1
Electronics	-	-
Total	33	28

BUYER TYPE



CROSS-BORDER DETAIL

	2016	2017
U.S.-to-U.S.	16	11
U.S.-to-Foreign	4	1
Foreign-to-U.S.	2	2
Foreign	11	14
Total	33	28

TRENDS IN M&A

- Global Sheet and Thermoforming M&A was down in 2017, as the number of deals involving heavy gauge or non-packaging thermoformers declined from 17 to 10 year-over-year. Conversely, thermoformed packaging M&A increased by 13% in 2017
- The industrial & automotive end markets were impacted by reduced activity in non-packaging M&A, with 2017 deal volume declining by 6 deals in both end markets. Activity in food & beverage and medical end markets increased driven by thermoformed packaging M&A
- A significant shift in buyer mix occurred in 2017 as deals involving both a private equity buyer and seller (PE to PE) accounted for 14% of deals in 2017 versus just 3% in 2016, and the share of total deals completed by public acquirers increased by 21% year over year

FEATURED SECTOR TRANSACTIONS

November and December 2017 – Graham Partners, a private equity group with a long track record in plastics and packaging, has acquired two thermoformed packaging businesses Tray-Pak Corporation and EasyPak LLC. Leominster, MA-based EasyPak primarily serves customers in food end markets and uses 100% post-consumer recycled materials. Tray-Pak, headquartered in Reading, PA, was acquired from an affiliate of Archbrook Capital Management LLC, which purchased the company in 2009 and will remain an investor in the business. Adam Piatkowski, Managing Principal at Graham Partners, stated, “EasyPak is a strategic fit for the Graham portfolio due to our historical packaging expertise and related industry focus. The company has strong overlap with Graham’s packaging industry experience and end market overlap with other Graham portfolio companies in the natural foods industry. We have identified several opportunities to scale the business, while still maintaining its focus on customer service and technical excellence.” Speaking on the Tray-Pak acquisition Piatkowski commented, “Tray-Pak distinguishes itself from other thermoformers through its high-quality custom products, in-house tooling and design capabilities, and unparalleled knowledge of customer needs. Both Tray-Pak and EasyPak are well positioned to continue offering best-in-class service. We look forward to growing these companies in this attractive, growing space.”

November 2017 – Italian plastic packaging supplier Sirap Gema SpA. has announced its acquisition of two European thermoformed packaging businesses from Reynolds Group Holdings. Verolanuova, Italy-based Sirap-Gema is acquiring Reynolds Food Packaging Spain S.L.U., located near Barcelona, Spain and Kama Europe, based in Sedgefield, County Durham in the UK. The combined businesses have annual sales of approximately \$40 million and specialized in thermoformed trays. Sirap Gema is owned by the Milan-based Italian industrial holding group Italmobiliare.

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

Global Blow Molding M&A

TRENDS IN M&A

- 2017 was another strong year for blow molding M&A with sustained interest from both strategic and private equity acquirers
- Private equity to private equity deals have increased from 7% of 2016 deal flow to 21% of 2017 deal flow as a number of high-profile platforms traded to new private equity investors throughout the year, including CCC, Mauser, IntraPac, and Ipackchem
- Transactions involving blow molders who primarily serve industrial end markets increased by 3 deals year-over-year, while activity in the food & beverage sector declined by 3 deals in 2017

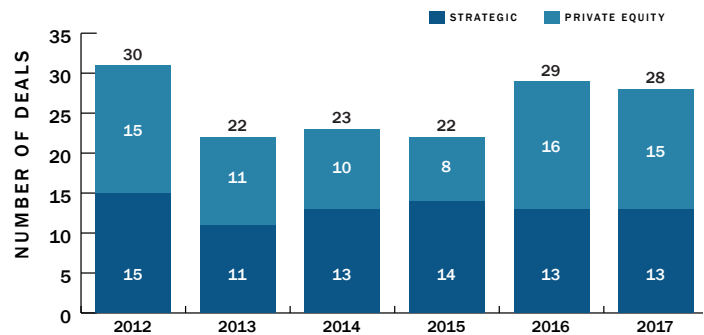
FEATURED SECTOR TRANSACTIONS

December 2017 – ONCAP, the mid-market private equity platform of Onex, has acquired IntraPac International from CI Capital Partners. Based in Mooresville, NC, IntraPac is a producer of a wide range of specialty rigid packaging solutions. The company sells sticks, jars, vials, closures, spouts, bottles, tubes and metered dose inhaler can coating services to the personal care, household products, food and beverage, and pharmaceutical industries. ONCAP and IntraPac’s management invested \$120 million of equity in the transaction. Commenting on the acquisition, Ryan Mashinter, a Managing Director with ONCAP, stated, “We’re very excited to partner with Ray Grupinski and the IntraPac team to grow the company both organically and through acquisitions in the years to come.”

November 2017 – Alpha Packaging Inc., a St. Louis based blow molded plastic packaging platform owned by Irving Place Capital, announced its acquisition of a plant in Etten-Leur, the Netherlands, from Graham Packaging Company. Alpha now operates ten manufacturing facilities, including eight in North America. The acquired plant is Alpha’s second in Europe, and is just a few kilometers from its existing facility in Roosendaal, the Netherlands, which Alpha launched as a greenfield site in 2010. Jeffrey Kellar, Alpha’s President and Chief Executive Officer, said “The acquisition more than doubles our production capacity on the continent making Alpha one of the largest single stage blow molding operations in Europe. The addition of the operation in Etten-Leur significantly expands our capabilities in this geography and supports future European growth.”

November 2017 – Pact Group Holdings (ASX:PGH) announced its acquisitions of Graham Packaging Guangzhou Co. Ltd and Non-Japanese Asian Packaging Operations of Closure Systems International for approximately \$114 million. Graham Packaging Guangzhou Co. produces plastic bottles via injection and extrusion blow molding technologies. The acquisition will add approximately 750 employees to Pact Group and boost sales to the Asian continent from 3% of revenue to 12%. Pact Managing Director and CEO Malcolm Bunday stated that the Reynolds acquisitions in Asia “will deliver a meaningful shift in our geographic diversity.”

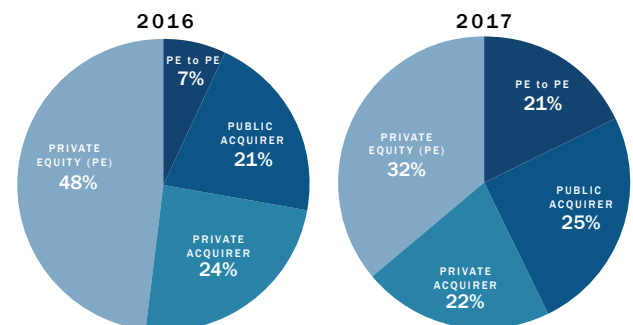
TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

	2016	2017
Food & Beverage	13	10
Industrial	8	11
Consumer	5	6
Construction	-	-
Medical	2	1
Automotive	1	-
Transportation	-	-
Electronics	-	-
Total	29	28

BUYER TYPE



CROSS-BORDER DETAIL

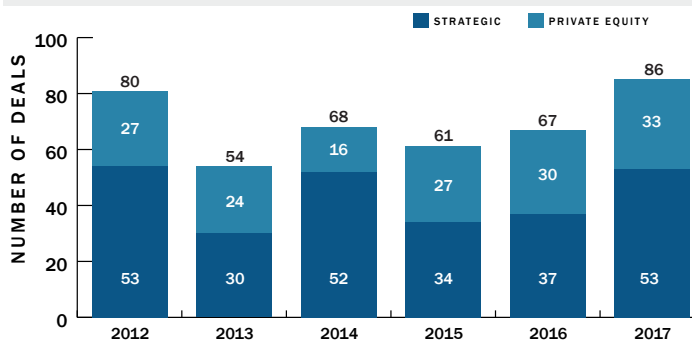
	2016	2017
U.S.-to-U.S.	9	8
U.S.-to-Foreign	3	2
Foreign-to-U.S.	1	2
Foreign	16	16
Total	29	28

Other Global Plastic Processing Activity

TRENDS IN M&A

- M&A activity involving other plastic process types, including rotational molding, foam, pipe & tube, profile extrusion, and composites, were up significantly in 2017, reaching 86 deals. This represents a 27% increase compared to 2016
- Strategic buyers were the driver of increased transaction volume in these segments, with deals growing from 37 in 2016 to 53 in 2017
- Year-over-year deal flow growth in the segments pipe & tube and profile extrusion (9 deals), composites (7 deals), and rotomolding (6 deals) were the biggest drivers of increased activity 2017
- Construction, industrial, and transportation end markets accounted for 70 of the 85 deals in 2017. Transportation growth included significant industry consolidation, with 10 strategic or private equity add-on deals
- Transactions involving a U.S.-based target increased from 23 deals in 2016 to 36 deals in 2017. U.S. to U.S. deals increased by 7 year over year, while M&A involving a foreign acquirer and a U.S. target increased by 6 deals

TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

	2016	2017
Food & Beverage	-	1
Industrial	31	28
Consumer	8	6
Construction	16	31
Medical	2	3
Automotive	7	6
Transportation	3	11
Electronics	-	-
Total	67	86

CROSS-BORDER DETAIL

	2016	2017
U.S.-to-U.S.	19	27
U.S.-to-Foreign	2	3
Foreign-to-U.S.	4	10
Foreign	42	46
Total	67	86

FEATURED SECTOR TRANSACTIONS

Extrusion

December 2017 - Masco Corporation (NYSE: MAS), one of the world's leading manufacturers of branded home improvement and building products, announced that it acquired Mercury Plastics, Inc. in the fourth quarter of 2017. Mercury is a plastics processor and manufacturer of water handling systems for appliance and faucet applications, as well as other highly engineered plumbing products, tubing, and assemblies. Based in Middlefield, Ohio, Mercury had revenues of approximately \$45 million in 2017 and employs approximately 300 people.

Foam

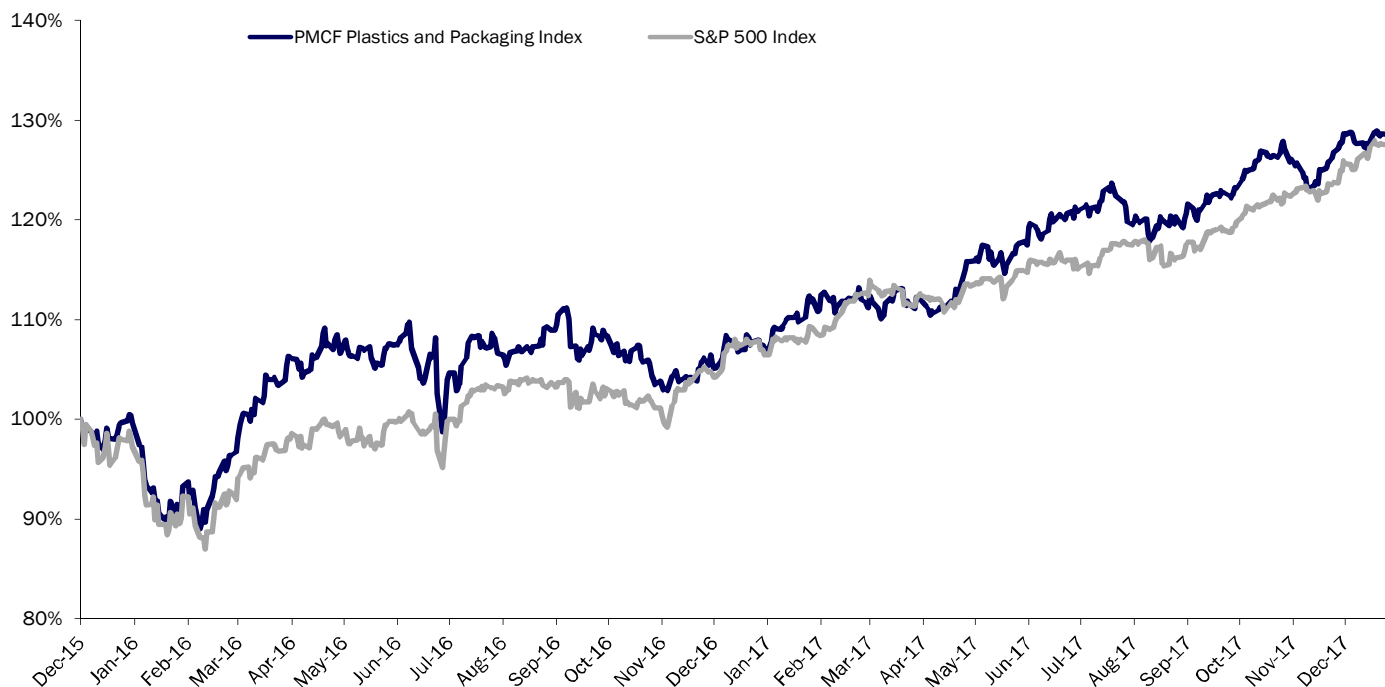
October 2017 - Carlisle Companies Incorporated (NYSE: CSL) announced its acquisition of Accella Performance Materials, a leading North American specialty polyurethane supplier, from Arsenal Capital Partners for \$670 million. The Accella polyurethane business is focused on foams, binders, coatings, adhesives, sealants and elastomers. The company manufactures in 10 production facilities across the United States, Europe and China. Roy Seroussi, a Principal at Arsenal, said, "Since our initial investment in 2012, Accella's revenue and EBITDA increased by 7x and 8x, respectively, through a focused organic growth strategy and nine strategic acquisitions. The company has become a market leader in several rapidly growing end markets, such as spray foam insulation, as well as roofing solutions and polyurethane truck bed liners."

Rotational Molding

December 2017 - ATEK Companies, via a newly formed entity called Solar Plastics LLC, announced it had acquired the assets and certain liabilities of Solar Plastics, Inc. Solar Plastics Inc. is a rotational molder with operations in Delano, MN and Davenport, IA. Solar Plastics LLC CEO and part owner, Mark Osmanski said, "ATEK is very excited with the addition of Solar Plastics LLC to the ATEK portfolio of companies. It was an excellent time to once again get into plastics manufacturing and the acquisition is a nice fit within our portfolio. As with any acquisition, there will be some work and investment required to achieve the goals we have set for the business. We are very optimistic about the rotational molding industry in general and more specifically, optimistic about our new company."

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

PMCF Plastics & Packaging Index

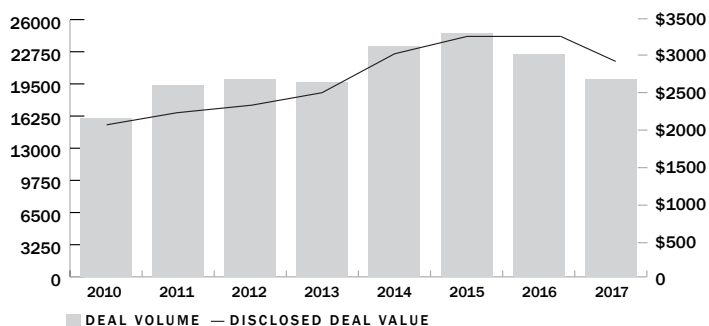


PMCF PLASTICS & PACKAGING STOCK MARKET INDEX VALUATION

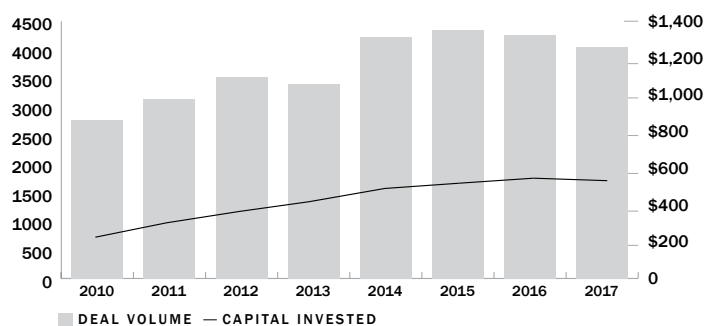
	Q4 '15	Q1 '16	Q2 '16	Q3 '16	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17
Revenue Multiple									
Average	1.3x	1.3x	1.4x	1.5x	1.5x	1.5x	1.6x	1.6x	1.6x
Median	1.2x	1.2x	1.3x	1.3x	1.4x	1.4x	1.4x	1.5x	1.6x
EBITDA Multiple									
Average	9.7x	9.6x	9.9x	10.1x	10.1x	10.3x	10.8x	10.9x	11.2x
Median	10.0x	9.5x	10.2x	10.5x	10.3x	10.1x	10.9x	11.4x	11.3x

- The PMCF Plastics & Packaging index performed in line with the S&P 500 index at the closing of Q4 2017, but outperformed the S&P 500 index over a two year period delivering relative stock price returns of approximately 30%
- Average EV/EBITDA multiples increased from 10.1x in Q4 2016 to 11.2x in Q4 2017, and increased in each quarter throughout 2017 demonstrating a continuation of robust valuation levels for the industry

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 2017 reflected lower activity than 2016
- U.S. private equity M&A deal volume in 2017 was relatively steady compared to 2016 levels but did see declines in deal count and capital invested
- The broader U.S. M&A market may see a boost in M&A activity in 2018 as recent tax legislation and repatriation of foreign earnings are expected to further strengthen balance sheets



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