

PLASTICS M&A UPDATE

JANUARY 2022

Plastics Industry M&A Activity Tracking

January 2022 ushered in a strong beginning to the new year for the Global Plastics M&A market. Transactions in the month totaled 47 deals which continued the trend of elevated deal activity witnessed in 2021. January transaction levels grew by 10 deals year-over-year. While these transaction levels are promising, some of this activity can likely be attributed to carryover transactions from the end of 2021. Overall, while the global environment has led to uncertainty in economic markets, plastic M&A deal volumes have remained robust to start the year.

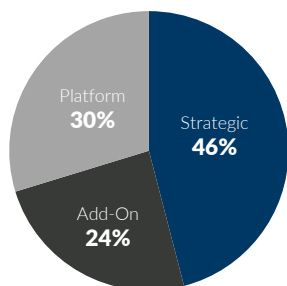
PLASTICS M&A BY SUBSECTOR

Subsector	Year-to-Date		
	2021	2022	Change
Blow Molding	1	4	3
Injection Molding	17	10	-7
Film	9	8	-1
Resin / Color & Compounding	5	4	-1
Sheet & Thermoforming	1	4	3
Specialty	4	17	13
Total Plastics	37	47	10
Strategic	46%	36%	-10%
Financial Buyer - Add-on	24%	45%	20%
Financial Buyer - Platform	30%	19%	-11%

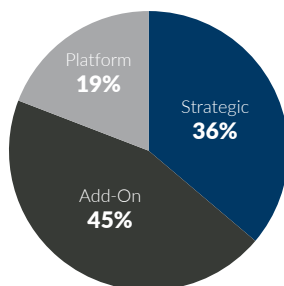
- Private equity firms were extremely active in the first month of the new year, totaling 30 transactions, or 64% of total transaction volume
- Injection Molding and Specialty led all plastic subsectors, combining for 27 total transactions in January; both subsectors were extremely active in 2021 as well, accounting for 51% of transaction volume in the year
- Blow Molding and Sheet & Thermoforming subsectors both increased by 3 transactions over January 2021 levels
- Industrial end market once again led all end markets in the month, recording 17 transactions in January; the Industrial end market has contributed the largest amount of plastics M&A for the past 5 years
- Automotive and Construction end markets combined for 14 deals in January 2022 and increased significantly from a volume mix standpoint relative to levels posted in 2021

PLASTICS TRANSACTIONS BY BUYER TYPE

2021 MTD



2022 MTD



TOTAL PLASTICS M&A BY END MARKET

End Market	Year-to-Date	
	2021	2022
Food & Beverage	5	4
Industrial	13	17
Consumer	8	5
Construction	1	5
Medical	4	7
Automotive / Transportation	6	9
Total	37	47

The Global Plastics M&A market began the year in encouraging fashion, continuing the pace of transaction activity set in 2021. January 2022 marked the highest level of activity in the first month of the new year that PMCF has seen since it began tracking the sector. As the new year continues, it remains to be seen whether transaction volumes in the plastics sector will continue to be as robust as they were in January and 2021 which report record M&A activity. If you are a plastics company considering a merger, acquisition, sale or recapitalization in the short or longer term, please consider leveraging PMCF's transaction planning and execution expertise to best position your company in a transaction.

Plastics M&A Update – January 2022

Public Entity Performance

Public plastic companies were down across the board in January with the Plastics Fabricators Index declining the most in the month at -5.7%. Plastic Packaging companies were down 2.8%, performing better than the S&P 500 for the month.

Index		% Change January YTD
S&P 500 Index	↓	-5.3%
PMCF Plastics Index ⁽¹⁾	↓	-4.0%
Resin and Color & Compounding ⁽²⁾	↓	-4.3%
Plastic Packaging ⁽³⁾	↓	-2.8%
Plastic Fabricating ⁽⁴⁾	↓	-5.7%

(1) ABCT, CMT, PRLB, ARCW, UFAB, MYE, DOW, WLK, TSE, AVNT, DNMR, ITP, SOLB, LYB, FOE, ATR, SON, SLGN, BERY, AMC, SEE, TCL, WPK, NPK, HUH1V, PTVE, ESNT (2) DNMR, DOW, TSE, WLK, AVNT, ITP, SOLB, LYB, FOE (3) ATR, SON, SLGN, NPK, BERY, AMC, HUH1V, SEE, TCL, WPK, PTVE, ESNT (4) ABCT, CMT, PRLB, ARCW, UFAB, MYE

Major News

- Big Deals, Big Money in 2021 M&A Final Numbers (Plastics News)
- A Surprising Jump in Prices For One Resin While Others Dip (Plastics News)
- A Strong Year For Materials Firms in 2021 (Plastics News)
- Inflation, Supply Chain, Omicron Expected to Take a Bigger Toll on Global Growth (Wall Street Journal)
- New Studies Find Unprecedented Impact From Supply-Chain Turmoil (Wall Street Journal)

Notable M&A Activity

Date	Acquirer	Target	Category
01/27/22	Summit Plastics, Inc.	Clear View Bag Company, Inc.	Flexible Packaging
01/26/22	Teamvantage Molding, LLC	MMD Medical, LLC	Medical Plastics
01/25/22	Vpet Usa, Inc.	Canyon Plastics, Inc.	Blow Molding
01/21/22	Tank Holdings Corp.	Dutchland Plastics, LLC	Rotomolding
01/21/22	ABC Technologies Holdings Inc. (TSX:ABCT)	Karl Etzel GmbH	Automotive Plastics
01/12/22	Chemres, U.S. Division of Benvic	Trinity Specialty Compounding, Inc.	Color & Compounding
01/06/22	Rosti Group AB	Plastic Components, Inc.	Injection Molding
01/05/22	ABC Technologies Holdings Inc. (TSX:ABCT)	dihBOWLES Inc.	Automotive Plastics
01/03/22	Færch Plast A/S	PACCOR Packaging GmbH	Thermoforming
01/01/22	WL Plastics Corp	Charter Plastics, Inc.	Extrusion

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

Use Our Expertise to Maximize Shareholder Value

Since our inception over 25 years ago, PMCF has offered robust transaction planning and preparation services to help business owners achieve the best possible outcome in a transaction whether it be in the short or long term. Our long track record of successful transactions is directly attributable to our focus on preparation and being proactive throughout the transaction process.

STRATEGIC ASSESSMENT

- PMCF is frequently requested to complete an analysis of a company's strategic positioning within the plastics and packaging marketplace
- Our review may consider your operations, products, end markets, financial trends, growth opportunities, and management team
- We are available to brief your management team, ownership, or board with our thoughts on your current value in today's market
- PMCF can provide a benchmark comparison of your organization's strengths, weaknesses, and anticipated buyer viewpoints

WORKING WITH PMCF

- PMCF is a licensed and FINRA-registered investment banking organization
- Confidentiality is of the highest importance and we welcome the execution of appropriate agreements prior to the exchange of data
- PMCF's senior bankers will respond to any inquiries and will be directly involved in all discussions
- If engaged, the majority of PMCF's costs are contingent on a successful transaction
- We insist on potential clients contacting our long list of references

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 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.

Rigid Packaging	Flexible Packaging	Engineered Products	Corrugated & Paper Packaging
Blow Molding	Injection Molding	Extrusion	Specialty Film
Color & Compounding	Printing & Labeling	Thermoforming	Packaging Machinery

Please let us know if you would like to set up a confidential call or meeting to discuss transaction planning and execution. You can reach John Hart, who leads PMCF's Plastics & Packaging Group at:
(248) 223-3468 or john.hart@pmcf.com

Recent PMCF Plastics & Packaging Transactions



THERMOFORMING



PACKAGING DISTRIBUTION &
BLOW MOLDED PACKAGING



INJECTION MOLDING



RECYCLING & FLEXIBLE
PACKAGING



THERMOFORMED
PACKAGING



SPECIALTY EXTRUSION
& INJECTION MOLDING



INJECTION & BLOW
MOLDED PACKAGING



THERMOFORMED 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
Awarded, Plastic and Packaging Deal of the Year in 2020 and 2021 by the Global M&A Network

Awarded, Industrials M&A Investment Bank of the Year by the Global M&A Network

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