

PLASTICS M&A UPDATE

FEBRUARY 2022

Plastics Industry M&A Activity Tracking

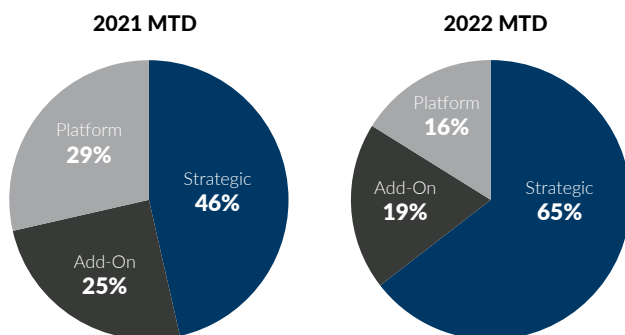
Global Plastics continued to post strong M&A activity down in February 2022 after a record start to the year in January. 31 deals were recorded in the month, which was lower than 47 transactions in January, but higher than February 2021. Deals in the month were driven by active strategic participation while private equity buyer activity slowed compared to high levels in January 2022. February transaction volume represented an increase of 3 deals year-over-year and a continuation of elevated M&A activity experienced throughout 2021.

PLASTICS M&A BY SUBSECTOR

| Subsector | Month-to-Date | | | Year-to-Date | | |
|-----------------------------|---------------|-----------|----------|--------------|-----------|-----------|
| | 2021 | 2022 | Change | 2021 | 2022 | Change |
| Blow Molding | 3 | 2 | -1 | 4 | 6 | 2 |
| Injection Molding | 7 | 7 | 0 | 24 | 17 | -7 |
| Film | 4 | 7 | 3 | 13 | 15 | 2 |
| Resin / Color & Compounding | 4 | 3 | -1 | 9 | 7 | -2 |
| Sheet & Thermoforming | 1 | 1 | 0 | 2 | 5 | 3 |
| Specialty | 9 | 11 | 2 | 13 | 28 | 15 |
| Total Plastics | 28 | 31 | 3 | 65 | 78 | 13 |
| Strategic | 46% | 65% | 18% | 46% | 47% | 1% |
| Financial Buyer - Add-on | 25% | 19% | -6% | 25% | 35% | 10% |
| Financial Buyer - Platform | 29% | 16% | -12% | 29% | 18% | -11% |

- Strategic buyers were highly acquisitive in the month, accounting for 20 transactions or 65% of the total deal volume in the month
- Much of the decline in transaction levels month-over-month can be attributed to private equity transactions which decreased from 30 deals in January to 11 deals in February
- Film and Injection Molding transactions accounted for 45% of the deal volume in the month; both subsectors have had a strong start to the year contributing 32 of the 78 year-to-date transactions
- Specialty transactions have accounted for 36% of the year-to-date deal volume, which is up from 20% through this same time last year
- Food & Beverage transactions increased by 3 deals month-over-month, totaling 7 deals in February and 11 deals through the beginning of the year

PLASTICS TRANSACTIONS BY BUYER TYPE



TOTAL PLASTICS M&A BY END MARKET

| End Market | Month-to-Date | | Year-to-Date | |
|-----------------------------|---------------|-----------|--------------|-----------|
| | 2021 | 2022 | 2021 | 2022 |
| Food & Beverage | 6 | 7 | 11 | 11 |
| Industrial | 8 | 15 | 21 | 32 |
| Consumer | 4 | 1 | 12 | 6 |
| Construction | 2 | 4 | 3 | 9 |
| Medical | 3 | 3 | 7 | 10 |
| Automotive / Transportation | 5 | 1 | 11 | 10 |
| Total | 28 | 31 | 65 | 78 |

The Global Plastics M&A market has started off the year strong, building on an unprecedented environment experienced in 2021. If February is any indication, transaction volumes seem to be continuing at elevated levels, however, it is early in the year and 2021 would be tough to replicate given unique circumstances. 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.

Public Entity Performance

Overall, public plastic companies' stock market performance continued a downward trend in February despite the Plastics Fabricating Index posting positive returns on the month. Plastics stocks continue to outperform the S&P 500 as the entire market deals with investor pessimism.

| Index | | % Change February MTD | | % Change February YTD |
|--|---|--------------------------|---|--------------------------|
| S&P 500 Index | ↓ | -3.1% | ↓ | -8.2% |
| PMCF Plastics Index ⁽¹⁾ | ↓ | -1.3% | ↓ | -4.9% |
| Resin and Color & Compounding ⁽²⁾ | ↓ | -2.2% | ↓ | -5.7% |
| Plastic Packaging ⁽³⁾ | ↓ | -3.3% | ↓ | -5.9% |
| Plastic Fabricating ⁽⁴⁾ | ↑ | 4.1% | ↓ | -1.8% |

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

Major News

- Economy Gained Momentum in February Despite Inflation Worries (Wall Street Journal)
- Supplies Recovered For Some Materials to Start 2022 Others Remain Turbulent (Plastics News)
- Fed Seeks Sweet Spot Between Slowing Inflation, Aiding Growth (Plastics News)
- Ukraine Crisis Could Mean Higher Resin Prices (Plastics News)
- U.S. Job Openings, Quits Remained Elevated at End of Last Year (Wall Street Journal)

Notable M&A Activity

| Date | Acquirer | Target | Category |
|----------|---|----------------------------------|--------------------|
| 02/28/22 | SIMONA Aktiengesellschaft (DB:SIM0) | Peak Pipe Systems Limited | Extrusion |
| 02/22/22 | ProAmpac Intermediate, Inc. | Belle-Pak Packaging Inc. | Flexible Packaging |
| 02/18/22 | Celanese Corporation (NYSE:CE) | DuPont Mobility & Materials Unit | Resin |
| 02/14/22 | Apollo Global Management, Inc. (NYSE:APO) | Novolex Holdings, LLC | Film |
| 02/08/22 | Comar, LLC | Automatic Plastics Limited | Rigid Packaging |
| 02/08/22 | Molded Dimensions Inc. | GlobalTech Plastics, LLC | Injection Molding |
| 02/02/22 | Altor Solutions | Foam Concepts, Inc. | Foam |
| 02/02/22 | Exo-s, Inc. | Plastiques Moore Inc. | Injection Molding |
| 02/01/22 | ALPEK, S.A.B. de C.V. (BMV:ALPEK A) | OCTAL Holding SAOC | Sheet |
| 02/01/22 | SIG (SWX:SIGN) | Scholle IPN Corporation | Flexible Packaging |

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

ALLIED PLASTICS, INC.
has been acquired by an affiliate of
ALL-STATE INDUSTRIES
a portfolio company of
Blue Sage Capital

THERMOFORMING

C.L. Smith
has been acquired by
KELSO

PACKAGING DISTRIBUTION & BLOW MOLDED PACKAGING

CASCADIA CUSTOM MOLDING
has been acquired by
VRC Engineered Solutions
a portfolio company of
BLUEPOINT | Capital Partners

INJECTION MOLDING

JADCORE
a portfolio company of
STONEHENGE PARTNERS
has been acquired by
Revolution
BELIEVE IN BETTER PLASTICS
a portfolio company of
ARSENAL CAPITAL PARTNERS

RECYCLING & FLEXIBLE PACKAGING

PANORAMIC
has been acquired by
ANCHOR PACKAGING
a portfolio company of
THE JORDAN COMPANY

THERMOFORMED PACKAGING

Teel PLASTICS, INC.
has completed a recapitalization with
MPE PARTNERS

SPECIALTY EXTRUSION & INJECTION MOLDING

OLCOTT PLASTICS
MANUFACTURER OF PLASTIC JARS & CLOSURES
has been acquired by
PRETIUM
PACKAGING IDEAS INTO YOUR SOLUTIONS
a portfolio company of
GENSTAR CAPITAL, LLC

INJECTION & BLOW MOLDED PACKAGING

Transparent Container
Visual Packaging Solutions
has been acquired by
Rohrer
a portfolio company of
SHOREVIEW

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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