

PLASTICS M&A UPDATE

MARCH 2022

Plastics Industry M&A Activity Tracking

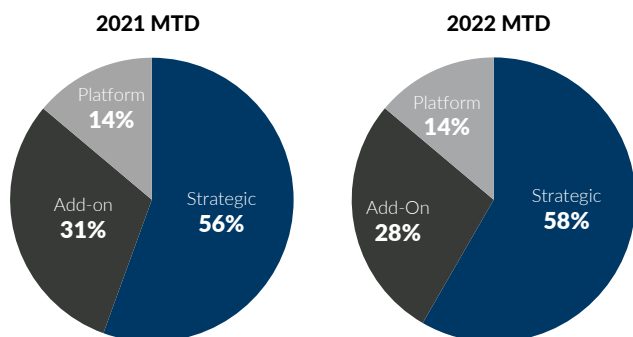
Global Plastics M&A continued its strong start to the year, recording 36 deals in March which was up from 31 transactions recorded in February. Transaction activity through the first quarter has been driven by active strategic buyers which have accounted for 51% of the deal volume through the first three months of the year. Overall, plastics M&A has matched the elevated level of activity seen in the first quarter of 2021 despite some uncertainty in the market.

PLASTICS M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2021	2022	Change	2021	2022	Change
Blow Molding	2	1	-1	6	7	1
Injection Molding	11	9	-2	35	26	-9
Film	7	6	-1	20	21	1
Resin / Color & Compounding	4	5	1	13	12	-1
Sheet & Thermoforming	3	4	1	5	9	4
Specialty	9	11	2	22	39	17
Total Plastics	36	36	0	101	114	13
Strategic	56%	58%	3%	50%	51%	1%
Financial Buyer - Add-on	31%	28%	-3%	27%	32%	6%
Financial Buyer - Platform	14%	14%	0%	24%	17%	-7%

- For the second month in a row, strategic buyers exceeded 20 transactions with public companies accounting for 7 deals in the month
- Private equity transactions increased by 4 deals month-over-month as financial buyers returned to the market in March after a slow month in February
- Specialty transactions including machinery, distribution, foam, and profile extrusion deals posted 11 deals in the month and have recorded 39 deals through the beginning of the year
- Resin and Color & Compounding deals accounted for 14% of the transaction volume in March and have matched 2021 levels on a year-to-date basis
- Medical transactions have accounted for 15 deals through the first quarter of the year which is an increase of 4 deals year-over-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	5	4	16	15
Industrial	14	23	35	55
Consumer	3	3	15	9
Construction	3	0	6	9
Medical	4	5	11	15
Automotive / Transportation	7	1	18	11
Total	36	36	101	114

Global Plastics M&A concluded the first quarter of 2022 by notching over 30 transactions in each of the first three months. Elevated transaction volumes confirm the favorable M&A market conditions experienced throughout 2021 in plastics. The transaction activity for the full year 2021 will be tough to replicate, but 2022 is currently on track. 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

Public plastic companies' stock market performance overall rebounded in March after declining through the first two months of the year. The Resin and Color & Compounding Index rose over 12% in March and the Plastic Fabricating Index continued its growth rising over 9% for the month

Index		% Change March MTD		% Change March YTD
S&P 500 Index	↑	3.6%	↓	-5.0%
PMCF Plastics Index ⁽¹⁾	↑	6.0%	↓	-0.4%
Resin and Color & Compounding ⁽²⁾	↑	12.6%	↑	3.9%
Plastic Packaging ⁽³⁾	↓	-0.6%	↓	-6.4%
Plastic Fabricating ⁽⁴⁾	↑	9.1%	↑	5.3%

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

Major News

- Resin Prices on the Rise (Plastics News)
- Numbers That Matter: Interest Rates, Energy Costs, Uncertainty All on the Rise (Plastics News)
- U.S. March Jobs Report Shows Strong Hiring Momentum (Wall Street Journal)
- Some Plastics Firms Leave Russia Over Ukraine Crisis (Plastics News)
- SEC Floats Mandatory Disclosure of Climate-Change Risks, Emissions (Wall Street Journal)

Notable M&A Activity

Date	Acquirer	Target	Category
03/22/22	Blachford Investments, Inc.	Milcut, Inc.	Specialty
03/18/22	UFP Industries, Inc. (NasdaqGS:UFPI)	Advant Medical Ltd.	Medical Plastics
03/17/22	TricorBraun, Inc.	Neville and More Limited	Distribution
03/16/22	Odyssey Investment Partners, LLC	Pexco LLC	Extrusion
03/09/22	Action Point, Inc. & Signature Flexible Packaging, Inc.	Techflex Packaging, LLC	Film
03/08/22	HEXPOL AB (OM:HPOL B)	almaak international GmbH	Color & Compounding
03/08/22	Clearlake Capital Group, L.P.	Intertape Polymer Group Inc. (TSX:ITP)	Film
03/04/22	C-P Flexible Packaging, Inc.	Bass Flexible Packaging, Inc.	Film
03/01/22	TriMas Corporation (NasdaqGS:TRS)	Intertech Plastics, Inc.	Injection Molding

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

Experienced Professionals. Trusted Advisors. Proven Results.

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