

PLASTICS M&A UPDATE

MAY 2022

Plastics Industry M&A Activity Tracking

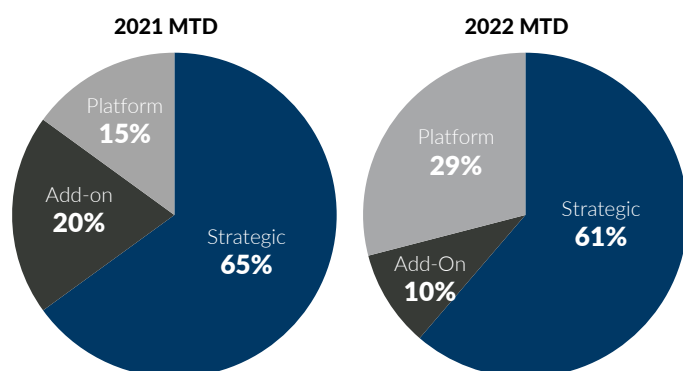
Global Plastics M&A recorded the second straight month lower than last year after a very strong first quarter 2022. We recorded 31 transactions for the month, which is up 5 transactions from April levels. PMCF is monitoring the current macroeconomic environment for any potential impact on Plastics M&A in the short-term. Currently, the M&A market in plastics remains strong, but annual volume is trending to be lower than the elevated levels experienced in 2021.

PLASTICS M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2021	2022	Change	2021	2022	Change
Blow Molding	4	1	-3	12	8	-4
Injection Molding	9	9	0	56	39	-17
Film	6	3	-3	32	30	-2
Resin / Color & Compounding	9	3	-6	27	18	-9
Sheet & Thermoforming	3	4	1	11	15	4
Specialty	9	11	2	39	61	22
Total Plastics	40	31	-9	177	171	-6
Strategic	65%	61%	-4%	54%	53%	0%
Financial Buyer - Add-on	20%	10%	-10%	26%	29%	3%
Financial Buyer - Platform	15%	29%	14%	20%	18%	-2%

- Private equity add-on activity dipped in May, however, platform transaction volume rose in the month; platform private equity deals accounted for 9 deals in the month, which is up from 3 in April
- Public strategic buyers accounted for 12 deals in the month; this is the second month in a row that public buyers accounted for 10 or more deals as strategic buyer activity as percent of total volume increased month-over-month
- Sheet & Thermoforming transactions bounced back in May, accounting for 4 deals, or 13% of the deal volume, after only recording 2 deals in April
- 9 Injection Molding deals were recorded in May 2022 which was equal to May 2021 levels and an increase of 5 transactions month-over-month
- Automotive deal activity which has been slow through the year-to-date increased in May, accounting for 10% of the deal volume after accounting for only 4% in April

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	7	4	30	23
Industrial	14	15	64	83
Consumer	5	3	21	17
Construction	3	4	11	15
Medical	3	2	15	18
Automotive / Transportation	8	3	36	15
Total	40	31	177	171

Global Plastics M&A transaction volume has cooled down relative to the elevated activity of 2021, but continues to outpace pre-pandemic levels. Given recent activity, Plastics M&A volume in the second half of 2022 will likely be lower than 2021. With that being said, if the current levels continue, 2022 should still be a strong year overall. 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

Plastic public entities performed well in May with each index rising in the month-to-date period. When compared to the S&P 500 which fell by 0.6% in May, plastics public companies appear to be outperforming the market. The Plastic Fabricating Index rose by the largest amount in May posting an increase of 3.6%.

Index		% Change May MTD		% Change May YTD
S&P 500 Index	↓	-0.6%	↓	-13.3%
PMCF Plastics Index ⁽¹⁾	↑	2.1%	↓	-3.0%
Resin and Color & Compounding ⁽²⁾	↑	2.3%	↑	4.9%
Plastic Packaging ⁽³⁾	↑	1.2%	↓	-8.7%
Plastic Fabricating ⁽⁴⁾	↑	3.6%	↓	-3.3%

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

Major News

- Some Materials Stocks Outperforming Market (Plastics News)
- Global Supply Chain Pressure Index: May 2022 Update (Liberty Street Economics)
- Feedstock Costs Prompt Rising Resin Prices in Europe (Plastics News)
- Reshoring Institute Executive: Expect Supply Chain 'Chaos' to Prompt Domestic Spending (Plastics News)
- Rapid Pace of U.S. Job Growth Stretched Into April (Wall Street Journal)

Notable M&A Activity

Date	Acquirer	Target	Category
05/31/22	Compagine de Saint-Gobain S.A. (ENXTPA: SGO)	Kaycan Ltd.	Building Products
05/26/22	The Carlyle Group Inc. (NasdaqGS:CG)	HCP Packaging (Shanghai) Co. Ltd.	Rigid Packaging
05/24/22	Rengo Europe GmbH	THIMM Packaging Systems GmbH + Co. KG	Rigid Packaging
05/12/22	Bemis Associates Inc.	Protechnic SA	Film
05/12/22	Thunderbird, LLC	MPR Plastics, Inc.	Injection Molding
05/12/22	SK Capital Partners	Valtris Specialty Chemicals, Inc.	Specialty Chemicals
05/11/22	Tank Holdings Corp.	SEMCO Plastic Company, Inc.	Blow Molding
05/09/22	Mitsui & Co., Ltd. (TSE:8031) and FP Corporation (TSE:7947)	Lee Soon Seng Plastic Industries SDN. BHD.	Thermoforming
05/06/22	Radici Plastics India Pvt. Ltd.	Engineering Plastics Business of Ester Industries Limited	Resin
05/02/22	Advanced Drainage Systems, Inc. (NYSE: WMS)	Cultec, 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



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

Experienced Professionals. Trusted Advisors. Proven Results.

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