

# PLASTICS M&A UPDATE

JULY 2022

## Plastics Industry M&A Activity Tracking

Global Plastics M&A activity totaled 31 transactions in the month of July, down 3 deals from June levels. While volume fell month-over-month, July marked the third consecutive month with over 30 transactions announced. Transaction levels were driven by an active strategic buyer base, which accounted for 68% of the total deal volume. Overall, Plastics M&A continues to exhibit strong activity levels when compared to monthly volumes seen prior to the pandemic, and is on track to have another strong year from an M&A volume standpoint.

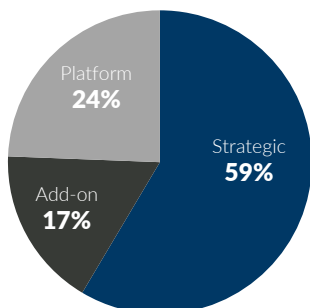
### PLASTICS M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2021	2022	Change	2021	2022	Change
Blow Molding	1	2	1	14	13	-1
Injection Molding	9	14	5	76	60	-16
Film	8	2	-6	49	39	-10
Resin / Color & Compounding	4	5	1	40	25	-15
Sheet & Thermoforming	11	1	-10	23	18	-5
Specialty	8	7	-1	56	81	25
<b>Total Plastics</b>	<b>41</b>	<b>31</b>	<b>-10</b>	<b>258</b>	<b>236</b>	<b>-22</b>
Strategic	59%	68%	9%	54%	55%	1%
Financial Buyer - Add-on	17%	16%	-1%	26%	28%	2%
Financial Buyer - Platform	24%	16%	-8%	20%	17%	-3%

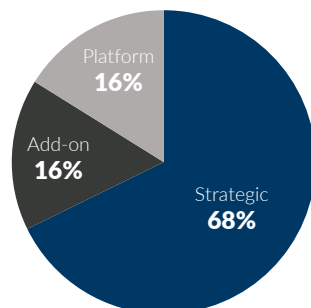
- After a strong month in June, private equity activity pulled back slightly as fewer financial buyers pursued platform acquisitions of plastics companies. Notably, July has been a slower month for private equity activity historically
- U.S. buyers continue to be active in 2022, averaging 17 transactions per month and recording 15 in the month of July. Through July of last year, U.S. buyers had accounted for 43% of the total deal volume while they have accounted for 51% of the deal volume in 2022
- The Injection Molding subsector posted its highest level of transaction activity of the year in the month of July, accounting for 14 deals which was up from 7 transactions in June
- Resin and Color & Compounding deals accounted for 5 deals in July which was up from 2 deals in June. In the year, this subsector has accounted for 11% of the total volume

### PLASTICS TRANSACTIONS BY BUYER TYPE

2021 MTD



2022 MTD



### TOTAL PLASTICS M&A BY END MARKET

End Market	Month-to-Date		Year-to-Date	
	2021	2022	2021	2022
Food & Beverage	5	2	44	27
Industrial	19	16	97	111
Consumer	8	4	36	28
Construction	3	1	16	23
Medical	2	4	19	26
Automotive / Transportation	4	4	46	21
<b>Total</b>	<b>41</b>	<b>31</b>	<b>258</b>	<b>236</b>

Through July 2022, Global Plastics M&A has reported strong deal volumes after a slower Q2. Total deal activity sits at 236 transactions in the year-to-date which is below 2021 volumes, but significantly higher than activity seen through the same year-to-date period in 2017 - 2020. Amidst uncertainty in the macroeconomy, plastics transaction levels and valuation multiples continue to be strong. 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 rebounded in July, with each Index increasing in the month-to-date period. The Plastic Packaging Index posted the largest increase in July, posting a gain of 5.3%. When compared to the S&P 500, which increased by 9.1% in July, plastics public companies are slightly underperforming the overall market.

Index		% Change July MTD		% Change July YTD
S&P 500 Index	↑	9.1%	↓	-13.3%
PMCF Plastics Index <sup>(1)</sup>	↑	3.9%	↓	-8.9%
Resin and Color & Compounding <sup>(2)</sup>	↑	1.8%	↓	-10.9%
Plastic Packaging <sup>(3)</sup>	↑	5.3%	↓	-11.9%
Plastic Fabricating <sup>(4)</sup>	↑	4.0%	↓	-2.1%

(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, 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) ABCT, CMT, PRLB, ARCW, UFAB, MYE

## Major News

- Sales up, Profits Mixed for Materials Firms in the Second Quarter (Plastics News)
- There Are Signs Inflation May Have Peaked, but Can It Come Down Fast Enough? (Wall Street Journal)
- Packaging Suppliers Face Winding Pathway on the Road to Sustainability (Plastics News)
- Polystyrene, Polypropylene and PET Dominate Resin News (Plastics News)
- July Jobs Report: U.S. Added 528,000 New Jobs as Unemployment Rate Fell to 3.5% (Wall Street Journal)

## Notable M&A Activity

Date	Acquirer	Target	Category
07/27/22	Manjushree Technopack Limited	Hitesh Plastics Private Limited	Rigid Packaging
07/26/22	Novvia Group	Duval Container Company	Distribution
07/22/22	Trelleborg Sealing Solutions Germany GmbH	Saint-Gobain Performance Plastics Mg Silikon GmbH	Specialty Plastics
07/21/22	ALPLA Werke Alwin Lehner GmbH & Co KG	Apon Andrzej Zawadzki Sp. z o.o.	Rigid Packaging
07/20/22	Arkema S.A. (ENXTPA:AKE)	Polimeros Especiales, S.A. De C.V.	Resin
07/19/22	Thunderbird, LLC	Bright Plastics Inc.	Injection Molding
07/19/22	CGI Automated Manufacturing, LLC	Tenere Inc.	Injection Molding
07/18/22	Chase Corporation (NYSEAM:CCF)	Nucera Solutions LLC	Specialty Polymers
07/07/22	Creative Liquid Coatings	CK Technologies	Injection Molding
07/05/22	Dunes Point Capital, L.P.	EG Medical	Medical Plastics

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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