

PLASTICS M&A UPDATE

AUGUST 2022

Plastics Industry M&A Activity Tracking

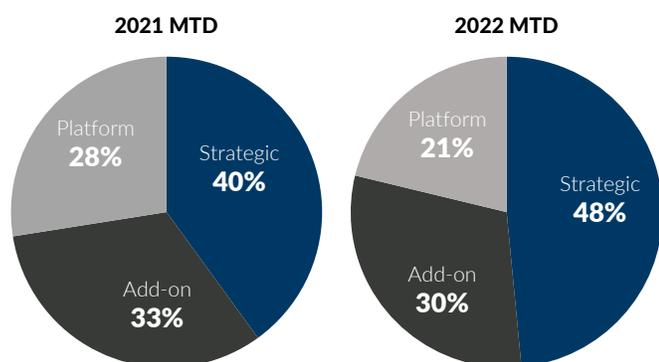
Global Plastics M&A activity totaled 33 transactions in the month of August, which was up two deals from July levels but still lower than elevated levels in 2021. Despite turbulence in the debt and equity markets, both strategic and financial buyers remained active in Plastics from an M&A standpoint. August M&A levels were the second-highest monthly total recorded in the last five months of 2022. While the threat of a contraction looms over the economy, Plastics M&A is poised to close the third quarter on a high note.

PLASTICS M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2021	2022	Change	2021	2022	Change
Blow Molding	3	2	-1	17	15	-2
Injection Molding	10	7	-3	86	67	-19
Film	8	8	0	57	47	-10
Resin / Color & Compounding	8	6	-2	48	31	-17
Sheet & Thermoforming	5	2	-3	28	20	-8
Specialty	6	8	2	62	89	27
Total Plastics	40	33	-7	298	269	-29
Strategic	40%	48%	8%	52%	54%	2%
Financial Buyer - Add-on	33%	30%	-2%	27%	29%	2%
Financial Buyer - Platform	28%	21%	-6%	21%	17%	-4%

- After a weak month in July, private equity activity rallied to account for ~52% of the deal volume in August; it marked the first time financial buyers accounted for greater than 50% of the deal activity since January 2022
- Resin / Color & Compounding totaled six deals in August, building on a strong July and once again accounting for over 15% of the total transaction volume
- After posting 14 deals in July, Injection Molding M&A activity fell, recording seven deals recorded in August. On average, eight deals are attributable to this subsector per month in 2022 which means the drop in activity is still in line with normal levels
- The Film subsector rebounded in August and posted the highest month-over-month increase of any plastics subsector. Eight Film deals were recorded in August which was the most activity for the subsector from a volume standpoint since January 2022

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	9	5	53	32
Industrial	17	16	114	127
Consumer	6	4	42	32
Construction	2	3	18	26
Medical	3	3	22	29
Automotive / Transportation	3	2	49	23
Total	40	33	298	269

Through August 2022, Global Plastics M&A continues to display strong transaction volumes. Currently, 269 deals have been recorded in 2022, which is significantly higher than pre-pandemic deal totals. Despite volatility in the overall macroeconomic landscape, current activity would suggest that Plastics M&A will continue to exhibit robust transaction volume in the near term. 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 faltered in August, with each index underperforming the S&P 500 over the month-to-date period. With the Federal Reserve intent on raising interest rates to curb inflation, public markets dropped significantly in the month. Nevertheless, in the year-to-date, all tracked plastic indices have outperformed the S&P 500

Index		% Change August MTD		% Change August YTD
S&P 500 Index	↓	-4.2%	↓	-17.0%
PMCF Plastics Index ⁽¹⁾	↓	-7.8%	↓	-15.1%
Resin and Color & Compounding ⁽²⁾	↓	-6.4%	↓	-15.5%
Plastic Packaging ⁽³⁾	↓	-5.3%	↓	-16.3%
Plastic Fabricating ⁽⁴⁾	↓	-13.8%	↓	-13.6%

(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

- Job Market Stronger Than Previously Reported, Data Show (Wall Street Journal)
- California Lawmakers Kill Plan to Cut Plastic Packaging in Online Shopping (Plastics News)
- Supply Chain Problems Continue to Hit US Chemical Sector (Plastics News)
- US GDP Fell Less Than Previously Thought in Second Quarter (Wall Street Journal)
- More Volatility for North American PS, ABS Resin Prices (Plastics News)

Notable M&A Activity

Date	Acquirer	Target	Category
08/28/22	International Chemical Investors Group	Benvic Compounds	Compounding
08/15/22	Dallas Plastics Corporation	Emballage MPP Inc.	Film
08/15/22	Salona Global Medical Device Corp (TSXV: SGMD)	DaMar Plastics Manufacturing, Inc.	Injection Molding
08/13/22	Altium Packaging, LLC	Plastic Industries, Inc. and Andersen Plastics	Blow Molding
08/12/22	HIG Capital	Avient Corp's Distribution Business	Distribution
08/11/22	Constantia Flexibles Group GmbH	FFP Packaging Ltd	Flexible Packaging
08/08/22	Charter Next Generation, Inc.	Polymer Film & Bag	Film
08/08/22	TruArc Partners, LP	Molded Devices, Inc.	Injection Molding
08/08/22	Stratasys Ltd. (NASDAQ: SSYS)	Additive Manufacturing Materials Business of Covestro AG	Additives
08/02/22	Trelleborg Sealing Solutions US, Inc.	Quadion LLC d/b/a Minnesota Rubber and Plastics	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

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