

PLASTICS M&A UPDATE

MARCH 2023

Plastics Industry M&A Activity Tracking

Global Plastics M&A had a slow finish to the quarter in March, recording 25 deals in the month which was consistent with February volume levels. Deal activity through the first quarter of 2023 was driven primarily by private equity add-on acquisitions, which accounted for 39% of the total volume compared to 32% last year. The 82 deals recorded in Q1 2023 were in line with Q1 levels prior to the pandemic but remain below the elevated Q1 2021 and 2022 levels.

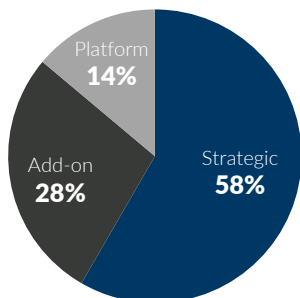
PLASTICS M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2022	2023	Change	2022	2023	Change
Blow Molding	1	0	-1	7	2	-5
Injection Molding	9	5	-4	26	17	-9
Film	6	3	-3	21	9	-12
Resin / Color & Compounding	5	3	-2	12	10	-2
Sheet & Thermoforming	4	4	0	9	8	-1
Specialty	11	10	-1	39	36	-3
Total Plastics	36	25	-11	114	82	-32
Strategic	58%	44%	-14%	51%	39%	-12%
Financial Buyer - Add-on	28%	32%	4%	32%	39%	7%
Financial Buyer - Platform	14%	24%	10%	17%	22%	5%

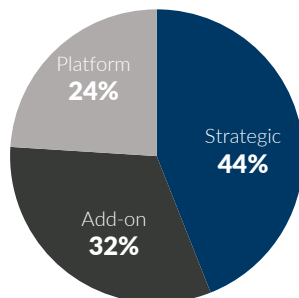
- Platform acquisitions rebounded from the low activity levels witnessed in Q4 2022. In Q1 2023, platform buyers recorded 18 deals and accounted for 22% of deal activity, up from 11% in Q4 2022 and 17% in Q1 2022
- Strategic buyer transactions have reported lower activity in Q1 2023, accounting for 39% of deal volume compared to 51% last year
- Specialty transactions, including machinery, distribution, foam, and profile extrusion deals, recorded a slight decline in transaction volume in March but was the best-performing subsector in Q1 2023
- Foreign transactions accounted for 16 deals, or 64% of deal activity, in March 2023, representing the first time since July of 2022 that foreign transactions have produced more deal flow than domestic transactions

PLASTICS TRANSACTIONS BY BUYER TYPE

2022 MTD



2023 MTD



TOTAL PLASTICS M&A BY END MARKET

End Market	Month-to-Date		Year-to-Date	
	2022	2023	2022	2023
Food & Beverage	4	2	15	6
Industrial	23	14	55	49
Consumer	3	2	9	14
Construction	0	3	9	4
Medical	5	4	15	9
Automotive / Transportation	1	0	11	0
Total	36	25	114	82

Global Plastics M&A concluded the first quarter of the year averaging over 27 transactions in each month and tracking toward pre-pandemic activity levels experienced in 2018 and 2019. Although uncertainty in the economy and difficulties with acquisition financing have created some challenges for deal-making, buyers and sellers remain motivated to get plastics deals done. 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 provided mixed results in March, with three out of the four tracked indices declining over the month. The Resin and Color & Compounding index continues to outperform the market, providing returns of 1.2% in the month-to-date period, and over 20% in the year-to-date period

Index		% Change March MTD		% Change March YTD
S&P 500 Index	↑	3.5%	↑	7.0%
PMCF Plastics Index ⁽¹⁾	↓	-2.8%	↑	4.8%
Resin and Color & Compounding ⁽²⁾	↑	1.2%	↑	22.1%
Plastic Packaging ⁽³⁾	↓	-3.1%	↓	-5.0%
Plastic Fabricating ⁽⁴⁾	↓	-7.0%	↑	2.5%

(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

- U.S. Plastics Machinery Shipments Pick Up at End of 2022 (Plastics News)
- Industry Sees Biden Bioplastics Goal as Serious Signal (Plastics News)
- Commodity Prices Rise; Engineering Resins Drop (Plastics News)
- U.S. Bank Failures Pose Risk to Global Growth (The Wall Street Journal)
- March Jobs Report Shows Hiring Gradually Cooling (The Wall Street Journal)

Notable M&A Activity

Date	Acquirer	Target	Category
03/20/23	Red Line Plastics, LLC	Quality Holdings, LLC	Rotomolding
03/20/23	Stärke-AMG	Gadac Plastics Pty Ltd	Injection Molding
03/16/23	Re3dtech	Phoenix Proto Technologies	Plastics Machining
03/16/23	Grand River Rubber & Plastics Co.	Lathe Cut Gasket And Seal Division Of ASC Engineered Solutions, LLC	Rubber
03/15/23	Plastifab Industries Inc.	Marchel Industries, Inc.	Injection Molding
03/13/23	Westfield Medical Limited	Granton Medical Limited	Medical Plastics
03/13/23	LyondellBasell Industries Holdings (NYS: LYB)	Mepol	Color & Compounding
03/08/23	Vonco Products, Inc.	Genesis Plastics Welding, Inc.	Medical Plastics
03/06/23	Blue Sage Capital & Insight Equity Holdings	Clearly Clean Products LLC	Thermoforming
03/02/23	Constantia Flexibles GmbH	Drukpol.flexo Sp. z o.o.	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

ENVIRO PLAS INC.
ENGINEERING RESIN SOLUTIONS

has completed its merger with

AURORA PLASTICS

a portfolio company of

NAUTIC

COMPOUNDING

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



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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