

PLASTICS M&A UPDATE

NOVEMBER 2023

Plastics Industry M&A Activity Tracking

Global Plastics M&A recorded 40 deals in November, which marked the highest level of monthly deal activity in 2023. Both financial and strategic buyers exhibited strong demand and were dually responsible for the robust monthly deal activity. Strategic buyers posted over 20 deals for a second consecutive month. Meanwhile, elevated add-on acquisition activity drove financial buyer deal volumes. In November, foreign deals were significantly higher than domestic transactions which deviated from activity trends exhibited in the first three quarters.

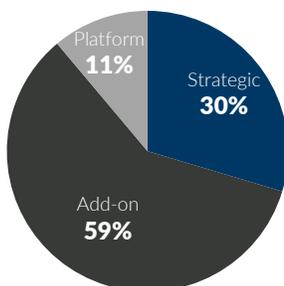
PLASTICS M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2022	2023	Change	2022	2023	Change
Blow Molding	1	2	1	19	15	-4
Injection Molding	3	20	17	84	114	30
Film	4	5	1	56	42	-14
Resin / Color & Compounding	2	4	2	41	35	-6
Sheet & Thermoforming	3	1	-2	27	18	-9
Specialty	14	8	-6	117	116	-1
Total Plastics	27	40	13	344	340	-4
Strategic	30%	55%	25%	52%	51%	-1%
Financial Buyer - Add-on	59%	33%	-27%	32%	30%	-2%
Financial Buyer - Platform	11%	13%	1%	17%	19%	2%

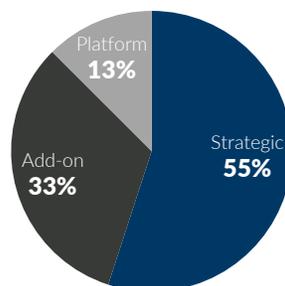
- Strategic buyers recorded 22 deals in November, which resulted in the second most active month of the year for this group. October and November marked the only months of the year in which strategic buyers have recorded 20 or more deals
- Private equity buyers recorded 18 deals in the month, up five from the prior month. A majority of financial deal activity was driven by add-on acquisitions, which recorded 13 of the 18 transactions, marking the second most active month of the year for add-on transactions
- Part of the recent uptick in deal activity is being driven by increased foreign M&A activity, which accounted for 60% of the total monthly transaction volume
- The Injection Molding subsector posted double-digit transactions for the fourth consecutive month and accounted for 50% of total deal activity. The subsector is on pace to record its second most active year on record

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	3	3	36	43
Industrial	15	20	168	195
Consumer	4	5	40	34
Construction	2	3	35	18
Medical	3	5	38	37
Automotive / Transportation	0	4	27	13
Total	27	40	344	340

Global Plastics M&A continued its four-month run of elevated deal activity in November. Improving macroeconomic conditions and outlook have helped fuel higher transaction activity. Consecutive months of strong deal activity are a reason for optimism as 2023 looks to surpass 2022 deal volumes, and pent-up demand appears to be a driving higher levels of deals to the market. 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 rallied in November, with three of the four tracked indices producing gains in the month. The Plastic Packaging index performed the best of all tracked indices in November, generating a gain of 9.6% and outpacing the S&P 500. Despite a strong November, all four tracked indices are down in the year-to-date period.

Index		% Change November MTD		% Change November YTD
S&P 500 Index	↑	8.9%	↑	19.0%
PMCF Plastics Index ⁽¹⁾	↑	1.1%	↓	-10.5%
Resin and Color & Compounding ⁽²⁾	↑	1.7%	↓	-7.8%
Plastic Packaging ⁽³⁾	↑	9.6%	↓	-12.1%
Plastic Fabricating ⁽⁴⁾	↓	-18.4%	↓	-13.8%

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

Major News

- What's Next After 'Disappointing' Plastics Treaty Talks? (Plastics News)
- Canada's Listing of Plastics as Toxic Ruled 'Unreasonable and Unconstitutional' by Court (Plastics News)
- Inflation's Cooldown Gives the Fed Leeway (The Wall Street Journal)
- Reusable Packaging Can Compete on Price with Single-Use, MacArthur Foundation Says (Plastics News)
- Economy's Soft Landing Comes Into View as Job Growth Slowly Descends (The Wall Street Journal)

Notable M&A Activity

Date	Acquirer	Target	Category
11/28/23	KB Components	QT Industries	Injection Molding
11/27/23	Conductive Containers, Inc.	Crestline Plastics, Inc.	Thermoforming
11/20/23	Koinos Capital sgr	Masterbatch S.R.L.	Color & Compounding
11/16/23	Alpla	Atlantic Packaging (Morocco)	Rigid Packaging
11/13/23	Tekni-Plex Inc.	Seisa Medical Inc.	Injection Molding
11/09/23	Axium Packaging	Silte	Bottles
11/06/23	TI Fluid Systems	Cascade Engineering Europe	Injection Molding
11/01/23	HEXPOL (STO: HPOL B)	Star Thermoplastic Alloys & Rubbers	Color & Compounding

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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