

# PLASTICS M&A UPDATE

APRIL 2024

## Plastics Industry M&A Activity Tracking

Global Plastics M&A increased in April, recording 26 deals, which was up four from March levels but below last year by one transaction. The month-over-month increase can be attributed to an uptick in strategic buyer activity while financial buyers posted a decline due to platform transactions struggling to gain traction in 2024. Despite the uptick in strategic buyer activity, both buyer types remain below the average monthly deal volume seen in 2023. Overall, three of the first four months of this year have reported Global Plastics M&A transaction volume below the 2023 monthly average of 32 deals, but the activity is still slightly above last year on a year-to-date basis.

### PLASTICS M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2023	2024	Change	2023	2024	Change
Blow Molding	4	0	-4	6	3	-3
Injection Molding	12	9	-3	33	31	-2
Film	3	3	0	12	15	3
Resin/Color & Compounding	5	2	-3	15	13	-2
Sheet & Thermoforming	0	1	1	8	10	2
Specialty	3	11	8	39	45	6
<b>Total</b>	<b>27</b>	<b>26</b>	<b>-1</b>	<b>113</b>	<b>117</b>	<b>4</b>

### PLASTICS M&A BY BUYER TYPE

Type	MTD	% of Total	YTD	% of Total
Strategic	16	62%	66	56%
Add-On (PE)	8	31%	35	30%
Platform (PE)	2	8%	16	14%

### PLASTICS M&A BY GEOGRAPHY

Type	MTD	% of Total	YTD	% of Total
U.S.-to-U.S.	8	31%	40	34%
U.S.-to-Foreign	3	12%	11	9%
Foreign-to-U.S.	2	8%	10	9%
Foreign	13	50%	56	48%

### PLASTICS M&A BY END MARKET

End Market	MTD	%	YTD	%
Food & Beverage	4	15%	18	15%
Industrial	15	58%	78	67%
Consumer	4	15%	14	12%
Medical	3	12%	7	6%

- Strategic buyers were responsible for 16 deals, or 62% of the monthly deal volume, which marked the highest percentage of overall mix attributable to strategic buyers in the month since October 2023
- Financial buyers recorded 10 deals in April, which was two fewer than in March. The pullback in financial buyer activity was due to platform acquisitions, which declined by two deals month-over-month. In addition, platform activity posted its lowest monthly output since October 2022 and led to the least active month in 2024 for financial buyers
- From a deal volume standpoint, each end market aside from the Industrial end market increased in April. The Food & Beverage end market posted the largest month-over-month increase, recording four additional deals in the month
- Foreign deals drove transaction activity in the month, accounting for 50% of the deal volume in April
- The Injection Molding subsector recorded nine deals in April and was the second most active sector behind Specialty from a deal volume standpoint. Notably, the subsector had the largest month-over-month increase in deal activity, posting five additional deals



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## Plastics M&A Update – April 2024

### Industry Multiples and Trends

Plastic public entity valuation metrics were flat for Resin and Color & Compounding while Plastic Packaging and Plastic Fabricating posted declines compared to last month. Plastic Fabricating saw the largest month-over-month decline, with average EV/EBITDA multiples falling by nearly 0.9X.

### Public Stock Performance

In April, public entities in the plastics sector faced headwinds, with all three of the subsectors experiencing a decrease in value on average. This decline reflects a broader trend of weakness within the sector, as average year-to-date performance for all tracked subsectors is down.

Company Name	Stock Performance Year-to-Date	Stock Performance Month-to-Date	Enterprise Value / LTM <sup>1</sup>	
			Revenue	EBITDA
<b>Resin and Color &amp; Compounding</b>				
Avient Corporation	2.0%	-2.3%	1.74x	10.44x
Danimer Scientific, Inc.	-26.5%	-31.2%	9.31x	NM
Dow Inc.	3.8%	-1.8%	1.24x	8.00x
LyondellBasell Industries N.V.	5.1%	-2.3%	1.06x	8.34x
Solvay SA	9.7%	20.2%	0.78x	2.76x
Trinseo PLC	-68.8%	-31.0%	0.60x	11.78x
Westlake Chemical Corporation	5.3%	-3.6%	1.74x	9.35x
<b>Mean</b>	<b>-9.9%</b>	<b>-7.4%</b>	<b>2.35x</b>	<b>8.45x</b>
<b>Median</b>	<b>3.8%</b>	<b>-2.3%</b>	<b>1.24x</b>	<b>8.84x</b>
<b>Plastic Packaging</b>				
Amcor plc	-7.3%	-6.0%	1.43x	10.55x
Aptar Group, Inc.	16.8%	0.3%	2.98x	13.75x
Berry Global Group	-16.0%	-6.3%	1.26x	7.99x
Essentra plc	4.1%	0.5%	1.82x	11.89x
Huhtamaki Oyj	-2.1%	-7.4%	1.24x	9.34x
Nampak Limited	-3.8%	10.9%	0.46x	9.41x
Pactiv Evergreen Inc.	11.2%	6.4%	1.17x	5.37x
Sealed Air Corporation	-13.8%	-15.4%	1.64x	8.18x
Silgan Holdings Inc.	3.1%	-3.9%	1.34x	8.29x
Sonoco Products Company	0.3%	-3.1%	1.30x	7.82x
Transcontinental Inc.	-0.3%	-7.1%	0.74x	4.99x
Winpak Ltd.	4.8%	5.7%	1.39x	6.86x
<b>Mean</b>	<b>-0.2%</b>	<b>-2.1%</b>	<b>1.40x</b>	<b>8.70x</b>
<b>Median</b>	<b>0.0%</b>	<b>-3.5%</b>	<b>1.32x</b>	<b>8.23x</b>
<b>Plastic Fabricating</b>				
Core Molding Technologies, Inc.	-2.8%	-4.8%	0.45x	3.65x
Proto Labs, Inc.	-21.8%	-14.7%	1.34x	9.77x
Myers Industries, Inc.	12.0%	-5.5%	1.07x	9.23x
<b>Mean</b>	<b>-4.2%</b>	<b>-8.3%</b>	<b>0.95x</b>	<b>7.55x</b>
<b>Median</b>	<b>-2.8%</b>	<b>-5.5%</b>	<b>1.07x</b>	<b>9.23x</b>

<sup>1</sup>LTM as of latest available financials

Sources: S&P Capital IQ, Company Websites, Pitchbook, Company Reports, PMCF

## Notable M&A Activity

Date	Acquirer	Target	Category
4/30/2024	Plastchim-T	Manucor	Flexible Packaging
4/29/2024	Armstrong World Industries	3form LLC	Resin
4/12/2024	Coveris	Hadepol Flexo	Flexible Packaging
4/11/2024	Century Mold Co. Inc.	Molding division of Integrity Tool & Mold Inc.	Injection Molding
4/9/2024	Berry Global Group Inc.	F&S Tool	Tooling
4/8/2024	Atalys	Schnipke Engraving Co., LLC	Injection Molding
4/8/2024	IDI (ENXTPA:IDIP)	EXSTO SAS	Injection Molding
4/2/2024	Nefab Group AB	Plastiform Inc.	Thermoforming

Sources: S&P Capital IQ, Company Websites, Pitchbook, Company Reports, PMCF

## Major News & Insights

- Polypropylene Prices Reverse Course, Fall 10 Cents in April (Plastics News)
- North American Debut for Milacron's M-Series Injection Molding Machines (Plastics Today)
- A \$90 Fee Per Tonne of Resin Could Support Plastics Treaty Goals, Report Says (Plastics News)
- Slower Hiring Boosts Hopes of a Late-Summer Rate Cut (The Wall Street Journal)
- Berry Buys F&S as it Expands its Global Tooling Capabilities (Plastics News)

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- 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

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