

# PLASTICS M&A UPDATE

MARCH 2024

## Plastics Industry M&A Activity Tracking

Global Plastics M&A in March continued a downward trend, finishing the first quarter with 91 deals, which was down from the 115 transactions recorded in the fourth quarter of 2023. 22 deals were announced in March, which represented the slowest month of 2024 and a below-average month for 2023. The lower levels of activity in March were the result of weak strategic buyer activity, which has trended downward throughout the first quarter of the year. Despite the pullback in Q1 2024 when compared to Q4 2023, the first quarter was slightly more active than Q1 2023, surpassing its transaction total by five deals.

### PLASTICS M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2023	2024	Change	2023	2024	Change
Blow Molding	0	0	0	2	3	1
Injection Molding	7	4	-3	21	22	1
Film	3	2	-1	9	12	3
Resin / Color & Compounding	3	5	2	10	11	1
Sheet & Thermoforming	4	3	-1	8	9	1
Specialty	11	8	-3	36	34	-2
<b>Total Plastics</b>	<b>28</b>	<b>22</b>	<b>-6</b>	<b>86</b>	<b>91</b>	<b>5</b>

### PLASTICS M&A BY BUYER TYPE

Type	MTD	% of Total	YTD	% of Total
Strategic	10	45%	50	55%
Add-On (PE)	8	36%	27	30%
Platform (PE)	4	18%	14	15%

### PLASTICS M&A BY GEOGRAPHY

Type	MTD	% of Total	YTD	% of Total
US-to-US	10	45%	32	35%
US-to-Foreign	1	5%	8	9%
Foreign-to-US	0	0%	8	9%
Foreign	11	50%	43	47%

### PLASTICS M&A BY END MARKET

End Market	March	%	2024	%
Food & Beverage	0	0%	14	15%
Industrial	19	86%	63	69%
Consumer	3	14%	10	11%
Medical	0	0%	4	4%

- Strategic buyers were responsible for 50 deals, or 55% of the quarterly deal volume. Although the 50 deals recorded in Q1 was down 17 from the prior quarter, it is in line with historical Q1 deal volumes recorded by strategic buyers
- Financial buyers recorded 41 deals in the first quarter, which was seven fewer than in Q4 2023. The pullback in financial buyer activity was driven by add-on acquisitions declining by seven deals quarter-over-quarter. Despite the decline, both platform and add-on acquisitions remained active in the quarter recording 14 and 27 deals, respectively
- The Industrial end market recorded 19 transactions, or 86% of March's deal volume. This marks the highest percentage of monthly deal volume since August 2023, for this end market
- The Specialty subsector, which includes extrusion, machinery, distribution, rotomolding, and more, recorded 34 deals in the quarter, leading all other subsectors from a deal volume standpoint. Notably, the subsector was driven by extrusion deals, which recorded seven transactions in the quarter, after not accounting for more than 25 deals in either of the last two years



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## Plastics M&A Update – March 2024

### Industry Multiples and Trends

Resin and Color & Compounding and Plastic Fabricating posted meaningful increases in mean EBITDA multiples for the month, surpassing nearly 8.5X in both subsectors for the first time this year. Plastic Packaging, on the other hand, reported a decline for the second month in a row, ending the month at 9.0X (compared to 9.64X last month)

### Public Stock Performance

Plastic public entities produced a mixed performance in March with the average performance of two of the three tracked subsectors appreciating in the month. The Plastic Fabricating subsector displayed the strongest results, gaining an average of 7.2% and is also the leading subsector in the year-to-date period.

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	4.4%	7.2%	1.77x	10.61x
Danimer Scientific, Inc.	6.9%	-18.7%	10.14x	NM
Dow Inc.	5.6%	3.7%	1.20x	8.02x
LyondellBasell Industries N.V.	7.6%	2.0%	1.05x	7.89x
Solvay SA	-8.8%	7.7%	0.69x	2.45x
Trinseo PLC	-54.8%	-16.0%	0.61x	12.00x
Westlake Chemical Corporation	9.2%	10.2%	1.79x	9.63x
<b>Mean</b>	<b>-4.3%</b>	<b>-0.6%</b>	<b>2.46x</b>	<b>8.43x</b>
<b>Median</b>	<b>5.6%</b>	<b>3.7%</b>	<b>1.20x</b>	<b>8.83x</b>
<b>Plastic Packaging</b>				
Amcor plc	-1.3%	5.0%	1.50x	10.75x
Aptar Group, Inc.	16.4%	2.4%	3.01x	14.15x
Berry Global Group	-10.3%	3.9%	1.29x	8.22x
Essentra plc	3.7%	5.5%	1.81x	13.66x
Huhtamaki Oyj	5.7%	6.9%	1.31x	9.92x
Nampak Limited	-13.3%	-2.3%	0.45x	9.23x
Pactiv Evergreen Inc.	4.4%	-2.9%	1.14x	5.23x
Sealed Air Corporation	1.9%	6.7%	1.79x	8.89x
Silgan Holdings Inc.	7.3%	10.6%	1.37x	8.48x
Sonoco Products Company	3.5%	2.0%	1.32x	7.81x
Transcontinental Inc.	7.4%	2.6%	0.77x	5.19x
Winpak Ltd.	-0.9%	0.6%	1.31x	6.57x
<b>Mean</b>	<b>2.0%</b>	<b>3.4%</b>	<b>1.42x</b>	<b>9.01x</b>
<b>Median</b>	<b>3.6%</b>	<b>3.2%</b>	<b>1.32x</b>	<b>8.69x</b>
<b>Plastic Fabricating</b>				
Core Molding Technologies, Inc.	2.2%	3.0%	0.46x	3.78x
Proto Labs, Inc.	-8.2%	-1.9%	1.62x	11.80x
Myers Industries, Inc.	18.5%	20.5%	1.13x	9.72x
<b>Mean</b>	<b>4.1%</b>	<b>7.2%</b>	<b>1.07x</b>	<b>8.44x</b>
<b>Median</b>	<b>2.2%</b>	<b>3.0%</b>	<b>1.13x</b>	<b>9.72x</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
3/13/2024	Chevron Phillips Chemical Company	Americas Styrenics	Resin Supplier
3/13/2024	ProAmpac	Gelpac	Flexible Packaging
3/12/2024	CW Industrial Partners	Mantaline Corp.	Rubber
3/11/2024	National Composites LLC	Northern Plastics Inc.	Thermoforming
3/11/2024	Hi-Technology Group Ltd	Sabre Plastic Mouldings Limited	Injection Molding
3/07/2024	Atalys	Romold	Medical Plastics
3/04/2024	Aurora Plastics	EnCom Polymers	Color & Compounding
3/04/2024	Bondalti Capital	Ercros (MAD: ECR)	Color & Compounding

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

## Major News & Insights

- 'Problematic' Plastics, EPR Part of Push from Business, Finance Leaders for Treaty Priorities (Plastics News)
- EU Committee Votes to Expand Definition of Plastic Pellet (Plastics News)
- Europe's Recycled-Content Rate for PET Bottles Hits 24% (Plastics News)
- Powell: Fed Is 'Not Far' From Gaining Confidence Needed to Cut Rates (The Wall Street Journal)
- U.S. Consumers Still Aren't Feeling Sunnier (The Wall Street Journal)

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## 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

**ALL-STATE INDUSTRIES**

a portfolio company of

**Blue Sage Capital**

THERMOFORMING

**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



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