

PLASTICS M&A UPDATE

FEBRUARY 2024

Plastics Industry M&A Activity Tracking

Global Plastics M&A activity fell in February, recording 27 deals, or 15 fewer than in January but still managed to show an increase over last year. February represented the lowest monthly plastics M&A activity since July 2023. The lower monthly activity resulted from both financial and strategic buyers producing below-average monthly deal volumes relative to the trailing 12 months. Overall, February was a lackluster month for Global Plastics M&A, but elevated monthly deal volumes experienced in January and the second half of 2023 still provide a reason for optimism for Plastics M&A in 2024.

PLASTICS M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2023	2024	Change	2023	2024	Change
Blow Molding	1	1	0	2	3	1
Injection Molding	7	5	-2	14	18	4
Film	2	6	4	6	10	4
Resin/Color & Compounding	3	2	-1	7	6	-1
Sheet & Thermoforming	1	2	1	4	6	2
Specialty	12	11	-1	25	26	1
Total	26	27	1	58	69	11

PLASTICS M&A BY BUYER TYPE

Type	MTD	% of Total	YTD	% of Total
Strategic	16	59%	40	58%
Add-On (PE)	8	30%	19	28%
Platform (PE)	3	11%	10	14%

PLASTICS M&A BY GEOGRAPHY

Type	MTD	% of Total	YTD	% of Total
U.S.-to-U.S.	7	26%	22	32%
U.S.-to-Foreign	2	7%	7	10%
Foreign-to-U.S.	3	11%	8	12%
Foreign	15	56%	32	46%

PLASTICS M&A BY END MARKET

End Market	MTD	%	YTD	%
Food & Beverage	6	22%	14	20%
Industrial	13	48%	44	64%
Consumer	6	22%	7	10%
Medical	2	7%	4	6%

- Strategic buyers were responsible for 16 deals, or 59% of the monthly deal volume. The 16 deals recorded in February represented the lowest monthly deal volume since September 2023 for this buyer type. The pullback in the month is attributable to private strategic buyers, which recorded nine fewer deals month-over-month
- Financial buyers recorded 11 deals in February, seven fewer than in January. Both platform and add-on buyers pulled back in the month, with each buyer type falling by three or more deals month-over-month. Notably, platform activity posted its lowest monthly volume since June 2023
- After a solid start to the year in January, deals involving two domestic parties were down in February. Seven domestic transactions were recorded in February, which was eight fewer than January levels. Furthermore, the seven deals recorded in February are four fewer than the average monthly domestic deal volume in 2023
- The Injection Molding subsector has been highly active from an M&A standpoint over the last twelve months, averaging 11 transactions per month, but the subsector cooled off in February, recording only five deals



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Industry Multiples and Trends

EV/LTM EBITDA multiples pulled back slightly in the month with the average for Plastic Fabricating and Resin and Color & Compounding companies falling below 8.0x. Plastic Packaging average EBITDA multiple multiples also trended downward slightly by 0.2x.

Public Stock Performance

Plastic public entities performed well in February with two of the three tracked subsectors appreciating on average. Resin and Color & Compounding companies produced a mean gain of over 10% in the month. However, each subsector is down on average in the year-to-date period.

Company Name	Stock Performance Year-to-Date	Stock Performance Month-to-Date	Enterprise Value / LTM ¹	
			Revenue	EBITDA
<i>Resin and Color & Compounding</i>				
Avient Corporation	-4.2%	10.0%	1.67x	9.99x
Danimer Scientific, Inc.	21.6%	94.4%	8.90x	NM
Dow Inc.	0.5%	2.8%	1.15x	7.72x
LyondellBasell Industries N.V.	3.9%	5.0%	1.02x	7.69x
Solvay SA	-14.8%	-7.2%	0.29x	1.46x
Trinseo PLC	-48.7%	-28.9%	0.61x	12.10x
Westlake Chemical Corporation	-2.9%	-1.8%	1.62x	8.70x
Mean	-6.4%	10.6%	2.18x	7.94x
Median	-2.9%	2.8%	1.15x	8.21x
<i>Plastic Packaging</i>				
Amcor plc	-8.0%	-5.9%	1.43x	10.28x
Aptar Group, Inc.	13.6%	8.1%	2.95x	13.84x
Berry Global Group	-14.5%	-12.0%	1.27x	8.05x
Essentra plc	-2.5%	-4.4%	1.49x	22.60x
Huhtamaki Oyj	-1.9%	-0.9%	1.24x	9.37x
Nampak Limited	-6.7%	-7.4%	0.46x	9.36x
Pactiv Evergreen Inc.	5.5%	-0.9%	1.09x	5.10x
Sealed Air Corporation	-6.7%	-1.4%	1.71x	8.48x
Silgan Holdings Inc.	-2.8%	-4.2%	1.25x	8.56x
Sonoco Products Company	1.2%	-0.6%	1.30x	7.69x
Transcontinental Inc.	6.9%	8.3%	0.76x	5.35x
Winpak Ltd.	4.7%	1.6%	1.41x	7.06x
Mean	-0.9%	-1.7%	1.36x	9.64x
Median	-2.2%	-1.1%	1.28x	8.52x
<i>Plastic Fabricating</i>				
Core Molding Technologies, Inc.	-1.5%	5.5%	0.45x	3.89x
Proto Labs, Inc.	-6.6%	0.8%	1.65x	12.04x
Myers Industries, Inc.	-2.6%	1.6%	0.93x	7.52x
Mean	-3.6%	2.6%	1.01x	7.82x
Median	-2.6%	1.6%	0.93x	7.52x

¹LTM as of latest available financials

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

Notable M&A Activity

Date	Acquirer	Target	Category
02/16/24	Constantia Flexibles GmbH	Aluflexpack AG (SWX:AFP)	Flexible Packaging
02/16/24	Chiltern Capital	Strata Products	Injection Molding
02/15/24	Henkel (ETR: HEN3)(Carsten Knobel)	Seal For Life Industries	Coatings
02/07/24	Glatfelter Corp.	Berry Global Group (Health, Hygiene and Specialties Business Unit)	Film
02/06/24	Trelleborg AB	Baron Group	Injection Molding
02/06/24	Redfish Longterm Capital (MIL: RFLTC)	Industrie Polieco	Flexible Packaging
02/06/24	Krones (ETR: KRN)	Netstal Maschinen	Machinery
02/01/24	Rowmark LLC	FinishTek	Coatings

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

Major News & Insights

- Report Says Plastics Treaty Should Ban 'Problematic' Products (Plastics News)
- EPA Sets PFAS Test for HDPE Containers, Faces New Suit in Inhance Case (Plastics News)
- Jobs Growth of 353,000 Blasts Past Expectations as Labor Market Stays Hot (The Wall Street Journal)
- Interest, But No Consensus, on Microplastics at Senate Hearing (Plastics News)
- Fed Minutes Show Unease Over Premature Cuts (The Wall Street Journal)

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- PMCF can provide a benchmark comparison of your organization's strengths, weaknesses, and anticipated buyer viewpoints

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