

# PLASTICS M&A UPDATE

JULY 2024

## Plastics Industry M&A Activity Tracking

Global Plastics M&A recorded its second most active month of the year in July, tallying 39 deals and falling three deals shy of elevated activity seen in January. This volume represented an eight-deal increase from prior month activity and a 13-deal, or 50% increase, over July 2023 levels. The uptick in activity was driven by increased demand from strategic buyers who represented more than half of the deal volume and accounted for 21 deals, a month-over-month increase of eight transactions for this buyer group. Meanwhile, financial buyers remained active, matching June volumes. Overall, July marked a strong start to the second half of the year for Global Plastics M&A.

### PLASTICS M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2023	2024	Change	2023	2024	Change
Blow Molding	1	1	0	9	4	-5
Injection Molding	8	14	6	57	61	4
Film	4	3	-1	21	29	8
Resin / Color & Compounding	3	2	-1	25	24	-1
Sheet & Thermoforming	1	1	0	14	12	-2
Specialty	9	18	9	77	89	12
<b>Total Plastics</b>	<b>26</b>	<b>39</b>	<b>13</b>	<b>203</b>	<b>219</b>	<b>16</b>

### PLASTICS M&A BY BUYER TYPE

Type	MTD	% of Total	YTD	% of Total
Strategic	21	54%	115	53%
Add-On (PE)	11	28%	63	29%
Platform (PE)	7	18%	41	19%

### PLASTICS M&A BY GEOGRAPHY

Type	MTD	% of Total	YTD	% of Total
US-to-US	9	23%	78	36%
US-to-Foreign	3	8%	19	9%
Foreign-to-US	1	3%	15	7%
Foreign	26	67%	107	49%

- After a sluggish first half of the year, the Injection Molding subsector rebounded in July. The subsector logged 14 deals, an increase of 75% relative to the 2024 monthly average
- Strategic buyers led all buyer groups in activity, accounting for 21 deals, or 54% of the volume. This represented a four-deal increase over the average strategic buyer volume observed in 2023 and a 62% increase over June levels
- Financial buyers matched prior month activity, posting 18 deals. After experiencing a record month in June, platform acquisitions returned to historical levels and tallied seven deals in the month. Meanwhile, add-on transactions more than doubled June activity and posted double-digit volume for the third time this year
- Foreign M&A activity saw an uptick in July, accounting for 26 deals in July, or 67% of the monthly activity. On the year, Foreign deals have accounted for 49% of the transaction activity
- All end markets matched prior month activity or saw an uptick in transaction volume in July. No end market experienced more than a three-deal increase, while the Medical end market was the sole end market to remain flat with June levels

### PLASTICS M&A BY END MARKET

End Market	July	%	2024	%
Food & Beverage	5	13%	28	13%
Industrial	27	69%	154	70%
Consumer	5	13%	24	11%
Medical	2	5%	13	6%



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## Plastics M&A Update – July 2024

### Industry Multiples and Trends

Plastics subsectors saw an uptick from June levels with the mean EV/EBITDA multiple for each of the subsectors increasing, bringing multiples back in line with levels witnessed earlier in 2024. July brought increased consistency across subsectors as mean valuation multiples were separated by less than one turn of EBITDA.

### Public Stock Performance

In July, plastics public entities experienced an overall uptick, with all three subsectors showing an increase in average month-to-date stock performance. The Plastic Fabricating subsector began to recover in July, after a sluggish performance in June, but remains down in the year-to-date. The Plastic Packaging subsector posted double-digit growth in the month.

Company Name	Stock Performance Year-to-Date	Stock Performance Month-to-Date	Enterprise Value / LTM <sup>1</sup>	
			Revenue	EBITDA
<b><i>Resin and Color &amp; Compounding</i></b>				
Avient Corporation	8.8%	3.6%	1.85x	10.37x
Danimer Scientific, Inc.	-61.7%	-35.3%	8.86x	NM
Dow Inc.	-0.7%	2.7%	1.22x	7.50x
LyondellBasell Industries N.V.	4.6%	4.0%	1.05x	8.31x
Solvay SA	17.3%	-1.1%	0.95x	4.19x
Trinseo PLC	-65.5%	25.1%	0.64x	11.32x
Westlake Chemical Corporation	5.6%	2.1%	1.80x	10.80x
<b>Mean</b>	<b>-13.1%</b>	<b>0.2%</b>	<b>2.34x</b>	<b>8.75x</b>
<b>Median</b>	<b>4.6%</b>	<b>2.7%</b>	<b>1.22x</b>	<b>9.34x</b>
<b><i>Plastic Packaging</i></b>				
Amcor plc	9.2%	7.7%	1.64x	11.20x
Aptar Group, Inc.	18.9%	4.4%	3.01x	13.67x
Berry Global Group	-2.5%	11.7%	1.35x	8.48x
Essentra plc	0.8%	7.7%	1.89x	12.79x
Huhtamaki Oyj	2.0%	0.0%	1.29x	8.81x
Nampak Limited	99.5%	30.6%	0.52x	5.72x
Pactiv Evergreen Inc.	-4.2%	16.1%	1.17x	6.31x
Sealed Air Corporation	4.2%	9.4%	1.82x	8.81x
Silgan Holdings Inc.	13.7%	21.5%	1.56x	9.54x
Sonoco Products Company	-3.5%	6.3%	1.28x	7.75x
Transcontinental Inc.	19.0%	7.8%	0.83x	5.49x
Winpak Ltd.	16.3%	6.5%	1.57x	7.69x
<b>Mean</b>	<b>14.5%</b>	<b>10.8%</b>	<b>1.49x</b>	<b>8.86x</b>
<b>Median</b>	<b>6.7%</b>	<b>7.7%</b>	<b>1.45x</b>	<b>8.65x</b>
<b><i>Plastic Fabricating</i></b>				
Core Molding Technologies, Inc.	-0.4%	15.7%	0.47x	3.92x
Proto Labs, Inc.	-10.6%	12.7%	1.53x	10.83x
Myers Industries, Inc.	-23.8%	11.4%	1.20x	10.13x
<b>Mean</b>	<b>-11.6%</b>	<b>13.3%</b>	<b>1.07x</b>	<b>8.29x</b>
<b>Median</b>	<b>-10.6%</b>	<b>12.7%</b>	<b>1.20x</b>	<b>10.13x</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
07/29/24	SK Capital Partners, LP	North America Composites & Fuel Containment Division of Parker Hannifin Corporation	Rubber/Composites
07/24/24	Silgan Holdings (NYS: SLGN)	Weener Plastics Group	Rigid Packaging
07/19/24	Orlando Capital GmbH	Illig	Machinery
07/16/24	Investindustrial	Delta Tecnic	Color & Compounding
07/15/24	PSB Industries	Quadpack Industries (PAR: ALQP)	Rigid Packaging
07/09/24	Revolution	Norflex	Flexible Packaging
07/08/24	Macfarlane Group (LON: MACF)	Polyformes	Foam Packaging
07/02/24	Davalor Mold Company	Industrial Molding Corporation	Injection Molding

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

## Major News & Insights

- Silgan Holdings to Buy 3i-Backed Weener Plastics in \$908 Million Deal (The Wall Street Journal)
- A Fight Over the Future of Recycling Brews as Plastics Legislation Gains Traction (The Wall Street Journal)
- The White House Has a Plan to Slash Plastic Use in the U.S. (The New York Times)
- Housing Market Still Under Stress, Constraining Growth for Plastics (Plastics News)
- Plastics M&A Market Battles High Interest Rates (Plastics News)
- Costco Switches Rotisserie Chicken Container to Flexible Packaging (Plastics News)

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