

PLASTICS M&A UPDATE

AUGUST 2024

Plastics Industry M&A Activity Tracking

Global Plastics M&A recorded its fourth consecutive month with over 30 deals in August, tallying 33 in the period. Activity remains strong compared to 2023 levels, with 252 deals completed to date in 2024, compared to 237 last year. Despite falling short of elevated July deal flow, August outpaced the year-to-date average volume of 31 by two deals. Both strategic and financial buyers displayed strong demand, accounting for 16 and 17 deals, respectively. Sustained demand in recent months, combined with improving macroeconomic conditions, brings optimism for the rest of 2024 as Global Plastics M&A shows signs of returning to the elevated activity seen in H2 2023.

PLASTICS M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2023	2024	Change	2023	2024	Change
Blow Molding	2	2	0	11	6	-5
Injection Molding	13	11	-2	70	72	2
Film	4	0	-4	25	29	4
Resin/Color & Compounding	4	1	-3	29	25	-4
Sheet & Thermoforming	1	6	5	15	18	3
Specialty	10	13	3	87	102	15
Total	34	33	-1	237	252	15

PLASTICS M&A BY BUYER TYPE

Type	MTD	% of Total	YTD	% of Total
Strategic	16	48%	131	52%
Add-On (PE)	9	27%	72	29%
Platform (PE)	8	24%	49	19%

PLASTICS M&A BY GEOGRAPHY

Type	MTD	% of Total	YTD	% of Total
U.S.-to-U.S.	11	33%	89	35%
U.S.-to-Foreign	4	12%	23	9%
Foreign-to-U.S.	2	6%	17	7%
Foreign	16	48%	123	49%

- The Sheet & Thermoforming and Specialty subsectors reported strong deal activity during August, increasing by 5 and 3 deals, respectively, compared to August 2023 levels. Injection Molding has reported two consecutive months of double-digit deal activity after a sluggish first half of the year. On the year, all subsectors except Blow Molding and Resin/Color & Compounding are up compared to 2023 levels
- Financial buyers were responsible for 51% of deal volume in August, which is a slight uptick compared to 2024 trends. Platform deal activity rose by one transaction compared to last month while add-on deals fell by two
- Strategic buyers matched the yearly average volume of 16 in August and have rebounded over last years levels, helping to drive increased Global Plastics M&A activity
- Deals involving two foreign parties accounted for 16 deals during the month, or 48% of the mix. Domestic activity, which includes transactions involving a US-based buyer and seller, was not far behind with 11 deals
- All end markets remained flat or contracted from July levels, with the Industrial end market continuing to drive activity, accounting for 70% of deal flow in the month

PLASTICS M&A BY END MARKET

End Market	MTD	%	YTD	%
Food & Beverage	4	12%	32	13%
Industrial	23	70%	177	70%
Consumer	4	12%	28	11%
Medical	2	6%	15	6%



JOHN HART
 Managing Director
 248.223.3468
 john.hart@pmcf.com

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Industry Multiples and Trends

Average EV / EBITDA multiples in the Resin and Color & Compounding and Plastic Packaging subsectors remained steady in August with neither multiple moving more than 0.1x. However, Plastic Fabricating multiples contracted more than one turn of EBITDA. Overall, multiples in the plastic industry remain slightly lower than they were at the start of 2024

Public Stock Performance

Plastics companies displayed varied performance in August. Despite a slow start to the year, Resin and Color & Compounding had a strong month, growing 7.0%. The Plastic Packaging subsector continued its strong performance in 2024 with modest growth of 1.4% in the period. Plastic Fabricating was the only subsector to decline in the period and remains down on the year

Company Name	Stock Performance Year-to-Date	Stock Performance Month-to-Date	Enterprise Value / LTM ¹	
			Revenue	EBITDA
Resin and Color & Compounding				
Avient Corporation	18.2%	8.6%	1.93x	10.58x
Danimer Scientific, Inc.	-63.2%	-3.8%	10.67x	NM
Dow Inc.	-2.3%	-1.6%	1.21x	7.41x
LyondellBasell Industries N.V.	3.8%	-0.8%	1.03x	8.17x
Solvay SA	14.3%	-2.5%	0.94x	4.12x
Trinseo PLC	-48.0%	50.5%	0.68x	11.30x
Westlake Chemical Corporation	3.9%	-1.6%	1.79x	10.59x
Mean	-10.5%	7.0%	2.61x	8.70x
Median	3.8%	-1.6%	1.21x	9.38x
Plastic Packaging				
Amcor plc	18.7%	8.6%	1.72x	11.69x
Aptar Group, Inc.	23.9%	4.2%	3.12x	14.19x
Berry Global Group	2.2%	4.8%	1.38x	8.52x
Essentra plc	3.9%	3.0%	1.94x	13.12x
Huhtamaki Oyj	0.9%	-1.1%	1.28x	8.74x
Nampak Limited	120.0%	10.3%	0.54x	5.92x
Pactiv Evergreen Inc.	-13.9%	-10.2%	1.12x	5.11x
Sealed Air Corporation	-4.3%	-8.1%	1.73x	8.48x
Silgan Holdings Inc.	15.5%	1.6%	1.58x	9.63x
Sonoco Products Company	1.3%	4.9%	1.33x	7.87x
Transcontinental Inc.	22.6%	3.0%	0.84x	5.55x
Winpak Ltd.	11.5%	-4.1%	1.49x	7.30x
Mean	16.9%	1.4%	1.51x	8.84x
Median	7.7%	3.0%	1.44x	8.50x
Plastic Fabricating				
Core Molding Technologies, Inc.	-3.7%	-3.3%	0.44x	3.71x
Proto Labs, Inc.	-21.5%	-12.2%	1.30x	9.32x
Myers Industries, Inc.	-21.8%	2.6%	1.19x	8.68x
Mean	-15.7%	-4.3%	0.98x	7.24x
Median	-21.5%	-3.3%	1.19x	8.68x

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
08/26/24	Vintech Industries Inc.	European Sealing and Extrusion Business Unit of Rehau Automotive	Extrusion
08/22/24	LyondellBasell Industries Holdings (NYSE:LYB)	APK	Recycling
08/19/24	Altor Solutions	Lifoam Industries, LLC	Foam
08/14/24	Trelleborg Sealing Solutions Germany GmbH	Magee Plastics Company	Thermoforming
08/12/24	Pexco LLC	Precise Aerospace Manufacturing Inc.	Injection Molding
08/07/24	Saudi Arabian Oil Company (SASE:2222)	Rabigh Refining and Petrochemical Company	Resin
08/06/24	Alleguard / Drew Foam Companies	Harbor Foam	Foam
08/02/24	The Hoffmann Family of Companies	Viking Plastics, Inc.	Injection Molding

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

Major News & Insights

- US Plastics Pact Updates 'Problematic' Packaging List, Adds Materials for Evaluation (Plastics News)
- PET Recycling Effort Diverts Millions of Pounds, but Coalition Says Much Work is Ahead (Plastics News)
- US-China Relations May Have a Big Impact on Polyethylene (Plastics News)
- Stable U.S. Inflation Keeps Door Open for Moderate Fed Cuts (The Wall Street Journal)
- California Carpet Recovery Bill Could be Boon for Bottle-To-Bottle Recyclers (Plastics News)
- Biden Administration Makes U-turn on UN Global Plastic Treaty Position Ahead of US Election (Packaging Insights)

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- We are available to brief your management team, ownership, or board with our thoughts on your 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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120 S Riverside Plaza
Suite 2100
Chicago, IL 60606

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