

PLASTICS M&A UPDATE

SEPTEMBER 2024

Plastics Industry M&A Activity Tracking

Global Plastics M&A recorded 34 deals in September, which represented the fifth consecutive month of 30 or more deals and a four deal increase over September 2023 figures. The increase in deal volume was driven primarily by the Injection Molding, Specialty, and Blow Molding subsectors. Through September, 286 total deals have been posted, an uptick of 19 deals relative to 2023 levels. Strategic buyers recorded their third most active month of the year, posting 18 deals. Notably, domestic M&A activity drove a majority of volume in the month and recorded its strongest month since January 2022. Overall, September notched another strong month 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	0	2	2	11	8	-3
Injection Molding	10	12	2	80	84	4
Film	6	1	-5	31	30	-1
Resin / Color & Compounding	1	1	0	30	26	-4
Sheet & Thermoforming	1	2	1	16	20	4
Specialty	12	16	4	99	118	19
Total Plastics	30	34	4	267	286	19

PLASTICS M&A BY BUYER TYPE

Type	MTD	% of Total	YTD	% of Total
Strategic	18	53%	149	52%
Add-On (PE)	12	35%	84	29%
Platform (PE)	4	12%	53	19%

PLASTICS M&A BY GEOGRAPHY

Type	MTD	% of Total	YTD	% of Total
US-to-US	18	53%	107	37%
US-to-Foreign	3	9%	26	9%
Foreign-to-US	0	0%	17	6%
Foreign	13	38%	136	48%

- The Injection Molding and Specialty subsectors drove plastics M&A activity in September, combining for over 82% of deals during the month. Increased deal volume in these two subsectors has been a significant factor in the uptick of overall deal activity compared to last year
- Despite relatively low deal volume in the year-to-date, Blow Molding had its second consecutive month of elevated activity in September
- Strategic buyers led activity in September, accounting for over half of all activity for the seventh time this year. Platform private equity acquisitions declined in the month, with only four deals recorded
- Domestic M&A had its strongest month in more than two years, tallying 18 deals during September. This represented over 50% of all deals completed, well above the year-to-date average
- The Industrial end market had another strong month of M&A activity, accounting for 23 deals during September. The Consumer end market also saw an above average month, posting eight deals, and marking its most active month of the year

PLASTICS M&A BY END MARKET

End Market	MTD	%	YTD	%
Food & Beverage	2	6%	34	12%
Industrial	23	68%	200	70%
Consumer	8	24%	36	13%
Medical	1	3%	16	6%



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If you are a plastics company considering a merger, acquisition, sale, or recapitalization in the short or longer term please consider leveraging PMCF's transaction planning and execution expertise to best position your company in a transaction.

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Industry Multiples and Trends

Median EV/EBITDA multiples remained above 8.0x across all plastics subsectors in September. Resin and Color & Compounding continued to lead all other subsectors with median multiples exceeding 9.0x. Compared to the beginning of 2024, mean multiples in the Plastic Packaging and Plastic Fabrication subsectors have compressed over 1.0x while mean Resin and Color & Compounding multiples have expanded

Public Stock Performance

In September, plastics public entities saw varied performance with all three subsectors showing substantially different monthly stock performance. Public entities in the Plastic Fabrication subsector experienced moderate declines on average, while Plastic Packaging companies remained flat, and Resin and Color & Compounding entities realized mid-single digit improvements from the beginning of the month

Company Name	Stock Performance Year-to-Date	Stock Performance Month-to-Date	Enterprise Value / LTM ¹	
			Revenue	EBITDA
Resin and Color & Compounding				
Avient Corporation	21.0%	2.4%	1.97x	10.77x
Danimer Scientific, Inc.	-55.5%	21.0%	10.91x	NM
Dow Inc.	-0.4%	2.0%	1.22x	7.92x
LyondellBasell Industries N.V.	0.9%	-2.8%	1.00x	7.99x
Solvay SA	26.9%	11.0%	1.00x	4.41x
Trinseo PLC	-38.9%	17.5%	0.69x	11.42x
Westlake Chemical Corporation	7.4%	3.3%	1.85x	10.89x
Mean	-5.5%	7.8%	2.66x	8.90x
Median	0.9%	3.3%	1.22x	9.38x
Plastic Packaging				
Amcor plc	17.5%	-1.0%	1.70x	11.61x
Aptar Group, Inc.	29.6%	4.6%	3.25x	14.79x
Berry Global Group	0.9%	-1.3%	1.37x	8.47x
Essentra plc	-9.9%	-13.3%	1.72x	11.64x
Huhtamaki Oyj	-5.0%	-5.9%	1.22x	8.36x
Nampak Limited	139.6%	8.9%	0.56x	6.11x
Pactiv Evergreen Inc.	-16.0%	-2.5%	1.11x	5.07x
Sealed Air Corporation	-0.6%	3.9%	1.77x	8.66x
Silgan Holdings Inc.	16.0%	0.4%	1.58x	9.66x
Sonoco Products Company	-2.2%	-3.4%	1.30x	7.70x
Transcontinental Inc.	31.2%	7.0%	0.87x	5.57x
Winpak Ltd.	16.2%	4.1%	1.57x	7.68x
Mean	18.1%	0.1%	1.50x	8.78x
Median	8.4%	-0.3%	1.47x	8.42x
Plastic Fabricating				
Core Molding Technologies, Inc.	-7.1%	-3.6%	0.42x	3.56x
Proto Labs, Inc.	-24.6%	-4.0%	1.24x	8.89x
Myers Industries, Inc.	-29.3%	-9.6%	1.13x	8.20x
Mean	-20.3%	-5.7%	0.93x	6.88x
Median	-24.6%	-4.0%	1.13x	8.20x

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
9/20/24	Creo Group	United Solutions, Inc.	Injection Molding
9/17/24	Color Master	Rainmaker Polymers	Color & Compounding
9/17/24	Molex LLC	Vectura Group Ltd.	Injection Molding
9/12/24	Novvia Group	Liquid Bottles, LLC	Distribution
9/6/24	MAKS Plastics	Best Formed Plastics	Thermoforming
9/4/24	GDB Circular Inc.	Myplas USA, Inc.	Recycling
9/3/24	Barbour Plastics Inc.	Keller Companies (Profile Division)	Extrusion
9/1/24	Berlin Packaging	Nissho Jitsugyo	Blow Molding

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

Major News & Insights

- Konieczny Named CEO At Amcor (Plastics News)
- Fed Cuts Rates by Half Percentage Point (The Wall Street Journal)
- Industry Backs Proposed Federal Plastics Recycling Bill (Plastics News)
- Packaging Updates Anticipated in Biden Administration's Waning Months (Packaging Dive)
- Sonoco Puts Thermoforming, Flexible Packaging Business in Play (Plastics News)
- Bottle-to-Bottle Recycling Could Get Boost From California Carpet Recovery Bill (Sustainable Plastics)

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Recent PMCF Plastics & Packaging Transactions

ENVIRO PLAS INC. 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, a portfolio company of ARSENAL CAPITAL PARTNERS.

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