

# PLASTICS M&A UPDATE

OCTOBER 2024

## Plastics Industry M&A Activity Tracking

Global Plastics M&A recorded its strongest month of the year in October, marking the sixth-consecutive month with more than 30 transactions. The 48 deals tallied in October represented the highest monthly transaction volume for the sector since December 2021 and stands as the third most active month for Global Plastics M&A since PMCF began tracking the space in 2006. The significant jump in deal flow was largely attributed to financial buyers, while strategic buyers saw a more modest increase in activity. 2024 Global Plastics M&A activity continues to trend above 2023 levels heading into the final months of the year.

### PLASTICS M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2023	2024	Change	2023	2024	Change
Blow Molding	2	3	1	13	11	-2
Injection Molding	19	14	-5	99	98	-1
Film	5	9	4	36	39	3
Resin/Color & Compounding	3	5	2	33	31	-2
Sheet & Thermoforming	1	1	0	17	21	4
Specialty	9	16	7	108	134	26
<b>Total</b>	<b>39</b>	<b>48</b>	<b>9</b>	<b>306</b>	<b>334</b>	<b>28</b>

### PLASTICS M&A BY BUYER TYPE

Type	MTD	% of Total	YTD	% of Total
Strategic	21	44%	170	51%
Add-On (PE)	12	25%	96	29%
Platform (PE)	15	31%	68	20%

### PLASTICS M&A BY GEOGRAPHY

Type	MTD	% of Total	YTD	% of Total
U.S.-to-U.S.	16	33%	123	37%
U.S.-to-Foreign	5	10%	31	9%
Foreign-to-U.S.	2	4%	19	6%
Foreign	25	52%	161	48%

### PLASTICS M&A BY END MARKET

End Market	MTD	%	YTD	%
Food & Beverage	8	17%	42	13%
Industrial	29	60%	229	69%
Consumer	5	10%	41	12%
Medical	6	13%	22	7%

- Demand in the Injection Molding and Specialty subsector drove transaction volume in the month, which together accounted for more than 60% of the deal flow. However, the Film and Color & Compounding subsectors accounted for the largest uptick over September volumes, increasing by four and eight deals, respectively
- While strategic buyers modestly outpaced the year-to-date average volume by four deals, financial buyers posted 27 deals in the month which represented a 12-deal increase over their running 2024 average. Private equity platform deals accounted for 15 deals, which was well above historical levels. Add-on acquisitions notched the other 12 deals, matching September levels
- Deals between two foreign parties, accounted for 25 deals, a 12-deal increase compared to last month. Domestic M&A also displayed elevated demand with 16 deals, four deals above the 2024 monthly average
- The Medical end market had a particularly strong month, tallying six deals during the period which was double what the end market has posted in any month in 2024 thus far



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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.

## Plastics M&A Update – October 2024

### Industry Multiples and Trends

Transaction multiples for public entities in the plastics space continue to be strong with all subsectors generating median EV/EBITDA multiples above 7.5x. However, Resin and Color & Compounding and Plastic Fabricating median EV/EBITDA multiples compressed during October, while Plastic Packaging remained flat over the month

### Public Stock Performance

Plastics companies experienced a downturn in performance in October. For the Resin and Color & Compounding and Plastic Fabricating sectors, a poor October contributed to double digit mean declines for the year. Plastic Packaging stocks continue to have a strong 2024, increasing by 18.6% on average in the year-to-date

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	12.1%	-7.4%	1.82x	10.47x
Danimer Scientific, Inc.	-67.9%	-28.0%	10.52x	NM
Dow Inc.	-10.0%	-9.6%	1.15x	7.48x
LyondellBasell Industries N.V.	-8.7%	-9.4%	0.93x	7.42x
Solvay SA	33.6%	5.3%	1.04x	4.57x
Trinseo PLC	-44.8%	-9.6%	0.68x	11.34x
Westlake Chemical Corporation	-5.7%	-12.2%	1.65x	9.74x
<b>Mean</b>	<b>-13.0%</b>	<b>-10.1%</b>	<b>2.54x</b>	<b>8.50x</b>
<b>Median</b>	<b>-8.7%</b>	<b>-9.6%</b>	<b>1.15x</b>	<b>8.61x</b>
<b>Plastic Packaging</b>				
Amcor plc	15.5%	-1.8%	1.69x	12.26x
Aptar Group, Inc.	35.8%	4.8%	3.36x	15.00x
Berry Global Group	4.5%	3.6%	1.40x	8.62x
Essentra plc	-12.5%	-2.9%	1.68x	11.35x
Huhtamaki Oyj	-1.9%	3.3%	1.25x	8.46x
Nampak Limited	144.6%	2.1%	0.56x	6.16x
Pactiv Evergreen Inc.	-17.3%	-1.5%	1.11x	5.04x
Sealed Air Corporation	-0.9%	-0.3%	1.77x	8.64x
Silgan Holdings Inc.	14.3%	-1.4%	1.55x	9.50x
Sonoco Products Company	-6.0%	-3.9%	1.26x	7.66x
Transcontinental Inc.	25.5%	-4.3%	0.85x	5.46x
Winpak Ltd.	21.3%	4.4%	1.65x	7.84x
<b>Mean</b>	<b>18.6%</b>	<b>0.2%</b>	<b>1.51x</b>	<b>8.83x</b>
<b>Median</b>	<b>9.4%</b>	<b>-0.9%</b>	<b>1.47x</b>	<b>8.54x</b>
<b>Plastic Fabricating</b>				
Core Molding Technologies, Inc.	-18.8%	-12.6%	0.36x	3.07x
Proto Labs, Inc.	-29.7%	-6.7%	1.14x	8.19x
Myers Industries, Inc.	-39.7%	-14.8%	1.03x	7.52x
<b>Mean</b>	<b>-29.4%</b>	<b>-11.3%</b>	<b>0.85x</b>	<b>6.26x</b>
<b>Median</b>	<b>-29.7%</b>	<b>-12.6%</b>	<b>1.03x</b>	<b>7.52x</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
10/31/2024	Hexpol Group	Piedmont Resin Supply LLC	Color & Compounding
10/29/2024	Orbis Corp.	Creative Techniques Inc.	Injection Molding
10/28/2024	Nippon Paint Holdings Co. Ltd.	AOC	Specialty Chemicals
10/28/2024	Hood Packaging Corporation	Industrial packaging operations of TC Transcontinental Packaging	Film
10/17/2024	Carlisle Cos. Inc.	Plastifab Industries Inc.	Foam
10/8/2024	Radial Equity Partners	Plasticade Products	Blow Molding
10/7/2024	Apollo Global Management Inc.	Barnes Group Inc.	Machinery
10/1/2024	Pexco LLC	K. Jabat, Inc.	Extrusion

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

## Major News & Insights

- US Sees 'Temporary' Plastics Trade Surplus, Report Says (Plastics News)
- Digital Tools Support the Industry, but Caution Also Key, Panel Says (Plastics News)
- As Plastics Treaty Debates Production Caps, a Look at Potential Impact and Implementation (Plastics News)
- Inside the Debate over PLA, the Packaging Industry's Favorite Bioplastic (Packaging Dive)
- U.S. Added 12,000 Jobs in October as Storms Sidelined Workers (The Wall Street Journal)
- Plastikpak Founder and CEO Steps Down After 57 Years (Packaging Digest)

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- PMCF is frequently requested to complete an analysis of a company's strategic positioning within the plastics and packaging marketplace
- Our review may consider your operations, products, end markets, financial trends, growth opportunities, and management team
- 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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- PMCF is a licensed FINRA-registered investment banking organization
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