

PLASTICS M&A QUARTERLY

THIRD QUARTER 2017



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Q3
17

PMCF Transaction Announcements



has been acquired by



PACKAGING: INDUSTRIAL & MEDICAL
Injection Molding
Company Sale to Strategic Buyer



has been acquired by



COLORANTS & DIES
Raw Materials
Company Sale to Strategic Buyer



has been acquired in a merger with



a portfolio company of



MORGENTHAUER
PRIVATE EQUITY

ENGINEERED COMPONENTS
Injection Molding and Extrusion
Company Merger with Strategic Partner

ABOUT PMCF

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Q3 2017 Market Summary & Outlook

Plastics and packaging M&A volume continued at a robust pace through the first three quarters of 2017. Driven by both strategic and private equity buyers, deals increased by 24 (or 10%) versus Q3 YTD 2016, creating a strong likelihood that 2017 will surpass 2016's total. Despite lower volume trends globally for M&A, the plastics and packaging segment remains highly active and 2017 could finish at a multi-year high for completed transactions. As a result, seller's market conditions remain including elevated valuation levels.

Historically, strategic buyers have been losing ground to private equity for the last four years, decreasing from 65% of plastic and packaging deals in 2013 to 57% through Q3 2016. However, through the first nine months of 2017, strategic buyer activity has gained momentum. These buyers drove the higher overall deal volume and have increased to 61% of total segment M&A in Q3 YTD 2017.

Key Q3 YTD 2017 trends included the following:

- Strategic buyer M&A has been focused on injection molding, resin, and specialty processing segments.
- Significant increase in rigid and flexible plastic packaging, up 9 deals or 10% versus Q3 YTD 2016
- Notable increase in publicly traded plastic company EV/EBITDA multiples, from 10.1x to 10.9x

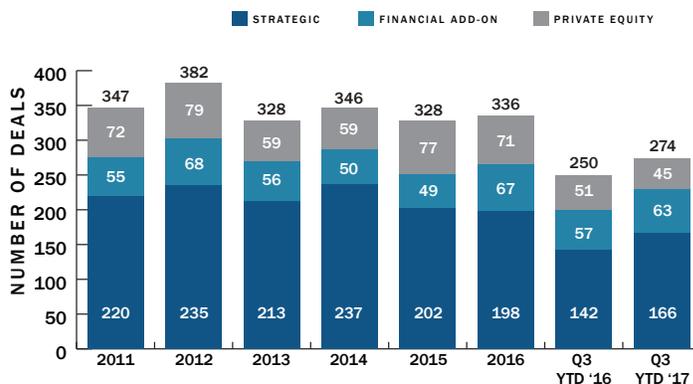
Key transactions for Q3 2017 include:

- Multi-Color Corp's (NASDAQ: LABL) acquisition of Constantia Flexibles Group labels division for \$1.3 billion
- BASF's (FRA: BAS) acquisitions of Solvay's integrated polyamide business for €1.6 billion
- ProAmpac's acquisitions of PolyFirst Packaging and Clondalkin Flexible Packaging Orlando
- ALPLA's largest historical acquisition with the purchase of Boxmore
- Tekni-Plex's acquisition of the self-adhesive tape substrate business of Alfatherm
- Michael Dell's MSD Capital acquisition of Ring Technologies
- Parkway Plastics acquisition of Avenue Mould Solutions and LMR Plastics

Q3 2017 was characterized by a growing economy with improved forward visibility, continued gains in the stock market, ample lending, and relatively stable energy prices. This contributed to the robust environment for plastics and packaging M&A which, at this time, we reasonably expect to continue for the remainder of this year and throughout 2018. The multi-year high in valuation multiples should encourage additional sellers to explore a potential sale including private equity who may consider shortening hold periods. These factors are likely to benefit the supply side of M&A which continues to be outstripped by strategic and private equity demand. However, despite all these positives, we continue to note the extended length of the current cycle and caution sellers that these conditions will eventually revert.

Sector	2015	2016	Q3 YTD '16	% of Total	Q3 YTD '17	% of Total	'16 - '17 Change	% Change
Blow Molding	22	29	20	8%	22	8%	2	10%
Injection Molding	102	91	69	28%	73	27%	4	6%
Film	59	73	56	22%	58	21%	2	4%
Resin / Color & Compounding	54	43	31	12%	35	13%	4	13%
Sheet & Thermoforming	30	33	25	10%	20	7%	-5	-20%
Specialty	61	67	49	20%	66	24%	17	35%
Total	328	336	250	100%	274	100%	24	10%

TRANSACTIONS BY BUYER TYPE

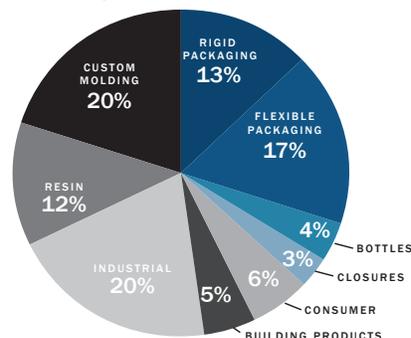


TOTAL PLASTICS M&A BY QUARTER

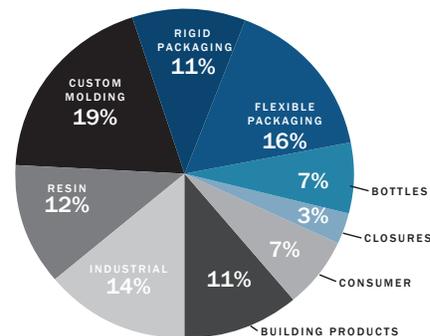
Q2 '16	Q3 '16	Q4 '16	Q1 '17	Q2 '17	Q3 '17
82	89	86	96	84	94

TRANSACTIONS BY PRODUCT SEGMENT

Q3 YTD 2016



Q3 YTD 2017



Global Plastic Packaging M&A

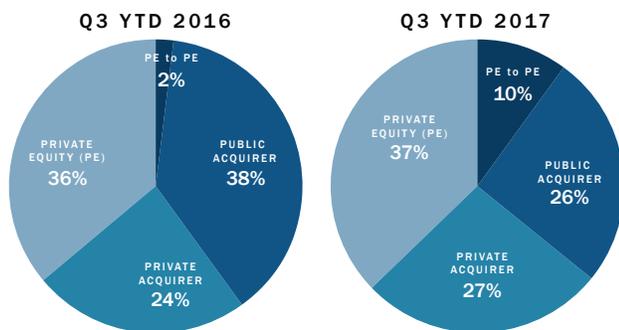
TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

	Q3 YTD 2016	Q3 YTD 2017
Food & Beverage	43	50
Industrial	17	25
Consumer	22	12
Construction	-	1
Medical	9	11
Automotive	-	-
Transportation	-	1
Electronics	-	-
TOTAL	91	100

BUYER TYPE



PACKAGING TRANSACTION DETAIL

	Q3 YTD 2016		Q3 YTD 2017	
	#	% Packaging	#	% Packaging
Rigid	32	35%	30	30%
Flexible	42	46%	44	44%
Bottles	9	10%	18	18%
Caps & Closures	8	9%	8	8%
TOTAL	91	100%	100	100%

TRENDS IN M&A

- Q3 YTD 2017 plastic packaging volume totaled 100 transactions, up 9 deals (or 10%) versus the 91 deals in Q3 YTD 2016. 2017 YTD activity reflects continued growth in deal activity since the first half of 2017
- Representing strong private equity activity in the sector, deals by private equity buyers increased from 35 in Q3 YTD 2016 to 47 in Q3 YTD 2017, while strategic transactions declined from 56 to 53
- Private equity to private equity deals have increased to 10% of activity in Q3 YTD 2017 - compared to 2% in the same period of 2016 - as private equity has demonstrated its competitiveness in acquiring assets for both platform and add-on acquisitions
- Food and beverage, as well as the Industrial sector accounted for an increase of 15 deals compared to the same period in 2016. This growth was partially offset by a large decline of consumer plastic packaging transactions, especially as strategic buyers shifted their activity to other end markets
- Bottling M&A increased from 9 transactions in Q3 YTD 2016 to 18 in Q3 YTD 2017, as the sub-sector increased from 10% of deals in Q3 YTD 2016 to 18%

FEATURED SECTOR TRANSACTIONS

August 2017 – Sealed Air (NYSE:SEE) announced the acquisition of Deltaplum Embalagens Indústria e Comércio Ltda (Deltaplum). Deltaplum is focused on the food segment and utilizes extrusion technology to offer its customers recyclable, high barrier shrinkable bags, multilayer films, laminates and pouches. Commenting on the acquisition, Karl R. Deily, President of Sealed Air's Food Care division, stated, "Combined with Sealed Air's leading global expertise and packaging solutions, this acquisition strengthens our position in Latin America and enhances our portfolio of innovative, value-added solutions for our customers," Deltaplum employs more than 100 people and has been in business for more than 25 years.

September 2017 – Pritzker Group Private Capital-owned ProAmpac announced the acquisition of Wisconsin-based PolyFirst Packaging. PolyFirst specializes in printed/customer roll stock and various types of plastic pouches and bags. The company serves the food and beverage, healthcare and industrial end markets. As a result of the acquisition, ProAmpac will have new capabilities in cold seal and e-commerce products to complement the existing product portfolio. With the addition of PolyFirst, ProAmpac will operate 25 manufacturing sites globally with 3,200 employees. Commenting on the transaction, Michael Nelson, Pritzker Group Private Capital investment partner, said, "PolyFirst is a strategic acquisition that expands ProAmpac's already robust product offering. We will continue to support ProAmpac with acquisitions that add value for their customers and support their growth initiatives in strategic markets."

August 2017 – Tekni-Plex, owned by private equity group Genstar Capital, announced the acquisition of the self-adhesive tape substrate business of Alfatherm SpA, Venegono Superiore. The Italian target will be integrated into the Tekni-Plex's films operations in the country. Commenting on the acquisition, Joseph Horn, senior vice president and general manager, Tekni-Films, stated, "The acquisition will help support Tekni-Films' growing tape substrate business. We will be able to better serve converters across Europe who produce self-adhesive tapes for a wide variety of packaging applications,"

Sources: P&M Corporate Finance, Plastics News, Company Reports, Bloomberg

Global Injection Molding M&A

TRENDS IN M&A

- During the first nine months of 2017, transaction volume involving injection molders increased to 73, representing a 6% pickup in activity compared to the first nine months of 2016
- The increase in sector activity was driven by continued strategic buyer acquisitions, with strategic buyers accounting for 42 transactions in Q3 YTD 2017, compared to 35 in Q3 YTD 2016
- Food & beverage deals increased from 3 in the first nine months of 2016 to 10 in the comparable 2017 period, reflecting demand for stable end markets
- Deal activity in the medical segment declined as both private equity and strategic buyers struggled to keep up with last year's pace, while automotive M&A increased due to higher strategic activity
- Private buyers accounted for one third of deal activity in Q3 YTD 2017, a significant increase from 26% YTD 2016
- Foreign deal activity drove much of the growth as deals outside of the United States grew from 34 in YTD 2016 to 42 in YTD 2017

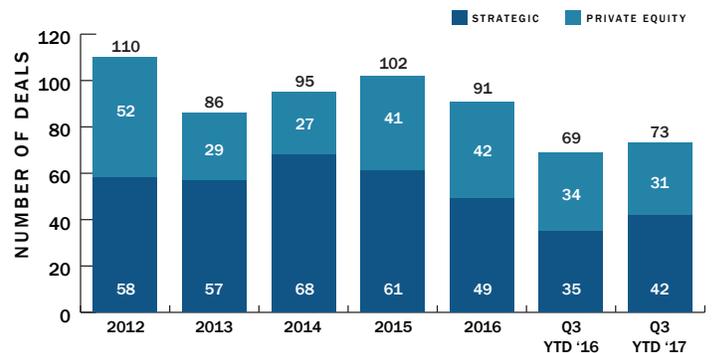
FEATURED SECTOR TRANSACTIONS

July 2017 – U.S.-based GW Plastics announced the acquisition of Ireland-based Avenue Mould Solutions. The acquisition represents GW Plastics first expansion into Europe and is in response to growing customer demand in the medical device market. GW Plastics is a contract manufacturer of complex injection molded products. Avenue Mould is a leading designer and producer of injection molded products for the medical device and drug delivery industries. Avenue Mould serves customers in over 15 countries. The acquisition of Avenue Mould will give GW Plastics precision mold-building facilities in North America, Asia and Europe. The acquisition follows a series of expansions of GW Plastics facilities in North America and Asia.

September 2017 – Parkway Products has announced its acquisition of Tennessee-based LMR Plastics from Leonard Industries Manufacturing. LMR Plastics manufactures and supplies plastic injection molded products to customers in the power lawn care, filtration, industrial controls, automotive, dental devices and telecommunications markets. As a result of the acquisition, Parkway adds up to 1,750 tons of injection molding capabilities and in-mold decorating technology. Commenting on the acquisition, Parkway CEO, Al Ridilla, stated "In all likelihood, we'll do an expansion to the building and continue with business." Parkway Products is owned by private equity firm, Capital Partners.

August 2017 – Industrial Opportunity Partners announced it has completed the sale of its portfolio company Kuss Filtration to Italian-based GVS S.p.A, a leader in the development and manufacturing of filtration products. Kuss provides specialty air and liquid filtration solutions to diverse markets including light duty vehicle, outdoor power equipment, powersports and on- and off-highway commercial vehicles. Headquartered in Findlay, Ohio, Kuss has additional facilities in Wisconsin, Brazil, Shanghai and China. Commenting on the transaction, Kuss CEO, Hasnain Merchant, stated, "This partnership will allow us to fully utilize our design and technical skills. We will also be able to provide additional products and solutions to our customers." After the deal, GVS will operate from 26 locations in 22 countries.

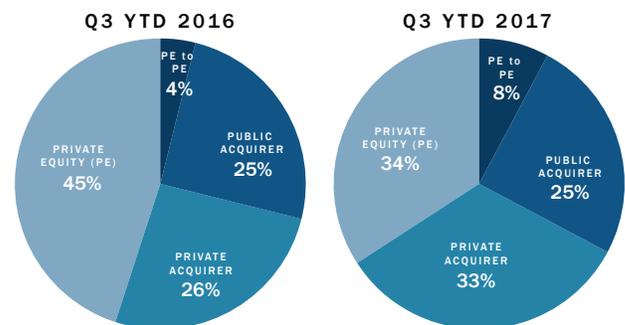
TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

	Q3 YTD 2016	Q3 YTD 2017
Food & Beverage	3	10
Industrial	18	15
Consumer	17	15
Construction	1	2
Medical	15	8
Automotive	13	17
Transportation	1	2
Electronics	1	4
Total	69	73

BUYER TYPE

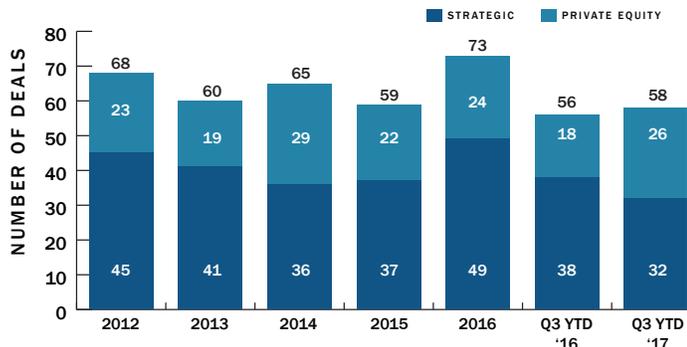


CROSS-BORDER DETAIL

	Q3 YTD 2016	Q3 YTD 2017
U.S.-to-U.S.	28	22
U.S.-to-Foreign	5	6
Foreign-to-U.S.	2	3
Foreign	34	42
Total	69	73
Distressed	1	3

Global Film M&A

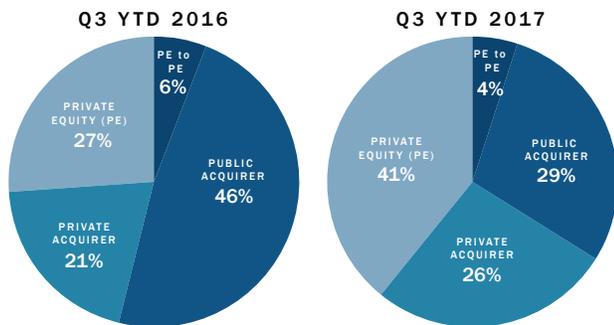
TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

	Q3 YTD 2016	Q3 YTD 2017
Food & Beverage	29	26
Industrial	15	15
Consumer	8	7
Construction	-	1
Medical	3	5
Automotive	-	2
Transportation	-	-
Electronics	1	2
Total	56	58

BUYER TYPE



CROSS-BORDER DETAIL

	Q3 YTD 2016	Q3 YTD 2017
U.S.-to-U.S.	13	12
U.S.-to-Foreign	8	6
Foreign-to-U.S.	4	2
Foreign	31	38
Total	56	58
Distressed	-	-

TRENDS IN M&A

- Q3 YTD 2017 deal activity in the film sector has been driven by increased private equity activity. Private equity transactions have increased from 18 in Q3 YTD 2016 to 26 in Q3 YTD 2017 (a 44% increase), while strategic deals have declined from 38 to 32.
- Representing the diversity of end markets involved in the growth in sector M&A, construction, medical, automotive and electronics end markets experienced growth in transaction volume.
- The first nine months of 2017 experienced a shift from public acquirers to private equity acquirers. In Q3 YTD 2016, public acquirers accounted for 46% of deal flow and have declined to 29% in the same period in 2017. Roughly half of private equity deals in Q3 YTD 2017 included platform acquisitions, demonstrating strong interest in further expanding share in the film segment.
- From a geographic perspective, Q3 YTD 2017 deal activity has been driven primarily by foreign transactions. Deals outside of the United States grew from 31 in Q3 YTD 2016 to 38 in Q3 YTD 2017.

FEATURED SECTOR TRANSACTIONS

July 2017 – Multi-Color Corp. (NASDAQ: LABL) announced its agreement to acquire the labels division of Constantia Flexibles Group for \$1.3 billion. Constantia Flexibles is owned by private equity group, Wendel. Constantia Labels is a leader in label solutions for the food, beverage and consumer packaging goods industries. As part of the acquisition, two representatives from Constantia Flexibles will join Multi-Color's board. The combined EBITDA of the two businesses will be approximately \$300 million. The transaction will strengthen Multi-Color's wine and spirits business with Constantia's presence in the food and beverage sector. As part of the transaction, Multi-Color seeks to expand its European reach and strengthen its personal care capabilities.

August 2017 – ProAmpac announced its acquisition of Clondalkin Flexible Packaging Orlando from Holland-based Clondalkin Group. Clondalkin Flexible Packaging is owned by Dutch based private equity firm, Egeria. The division is an established leader in the liddings, foils and films segments. In 2002, Clondalkin acquired Spiralkote and renamed the business Clondalkin Flexible Packaging Orlando in 2014. The acquired operations will become part of the Extrusion and Laminations Division of ProAmpac. ProAmpac is owned by Pritzker Group Private Capital and is one of the top 10 packaging converters in the United States. ProAmpac seeks to utilize the acquisition to meet increasing demand for daisy chain portion-pack lidding.

August 2017 – ORAFOL Europe GmbH announced the acquisition of Connecticut-based Rowland Technologies. Rowland is a specialty manufacturer of high-quality plastic film and sheet for a wide range of applications including medical, aerospace, and automotive parts. ORAFOL views Rowland's capabilities and products as complementary to the company's wide global reach. Prior to the acquisition, Rowland has served as a supplier to ORAFOL. Post-acquisition, Rowland will continue operations under its expanded 70,000 square foot facility.

Sources: P&M Corporate Finance, Plastics News, Company Reports

Global Resin and Color & Compounding M&A

TRENDS IN M&A

- Transactions in the resin and color & compounding sector appear to be rebounding from reduced levels in 2016. The sector has experienced a 13% increase in Q3 YTD 2017. Deals in the sector have increased from 31 in Q3 YTD 2016 to 35 in the first nine months of 2017
- Strategic buyers have accounted for the increase in deal activity, with the strategic deal count increasing from 19 in Q3 YTD 2016 to 29 in Q3 YTD 2017. The majority of strategic buyer activity has been driven public companies seeking to grow their geographic reach through cross-border transactions
- Private equity deal activity declined by half from 12 to 6, as strategic buyers continued their multi-year consolidation trend
- Sector deal activity has shifted with color & compounding deals up from 32% of volume in Q3 YTD 2016 to 40% in Q3 YTD 2017
- Public acquirers have also accounted for a greater proportion of transactions, up from 22% in Q3 YTD 2016 to 57% in the same period in 2017

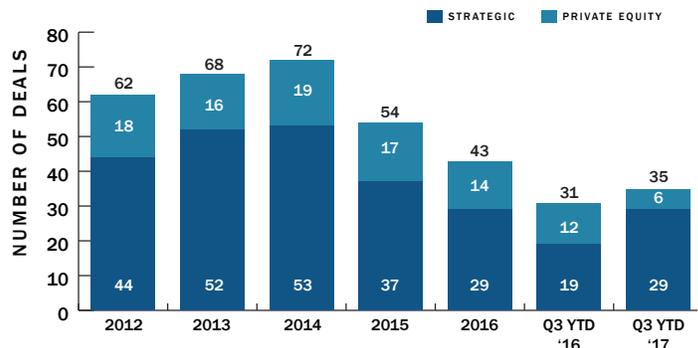
FEATURED SECTOR TRANSACTIONS

August 2017 – BASF (FRA:BAS) announced the acquisition of Netherlands-based Innofil3D. Innofil3D develops and produces high-quality printing filaments used in 3D printing. The acquisition represents continued investments from BASF into developing 3D printing materials. Commenting on the acquisition, Voker Hammes, Manager Director at BASF New Business stated, “With this acquisition, BASF is moving one step further along the value chain and can now provide not only plastic granulate for 3D printing but also the next processing level: the filaments.” Innofil3D was established in 2014 as a spin-off of Applied Polymer Innovations. The company’s products include PLA, PET, ABS, and recycled filaments made to custom specifications.

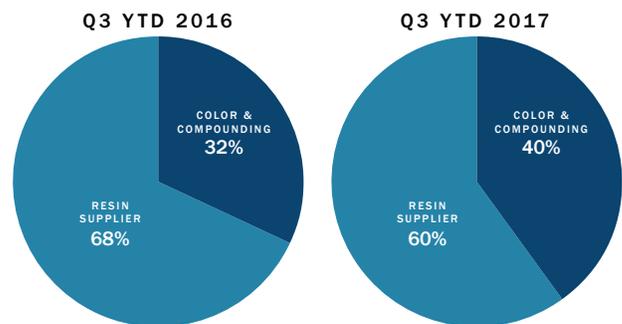
August 2017 – CHT Group announced the acquisition of Michigan-based ICM Silicones Group. ICM Silicones Group is a leading North American provider of high performance silicone emulsions and silicone elastomer. The company’s expertise includes emulsions, anti-foams, micro beads, gums, gels, fluids, adhesives, potting compounds and encapsulants, elastomers and thermal interface materials. CHT Group seeks to utilize the acquisition of ICM Silicone as a means to expand the variety of products and services it offers to the marketplace and utilize its international footprint to add more value to its customers. According to Frank Naumann, CHT CEO, the acquisition doubles CHT’s current silicone business.

September 2017 – BASF (FRA:BAS) and Solvay signed an agreement for the sale of Solvay’s integrated polyamide business to BASF for a purchase price of €1.6 billion. The acquisition complements BASF’s engineering plastics portfolio. Solvay held the #3 market position globally in polyamide-based engineering plastics. The target business also enhances BASF’s reach in Asia and South America and strengthens BASF’s polyamide value chain through backward integration. Solvay has been focused on disposing non-core assets since acquiring Cytec and Chemlogics. Commenting on the transaction, Solvay board member Pascal Juery stated, “It’s the last significant move to transform the group.”

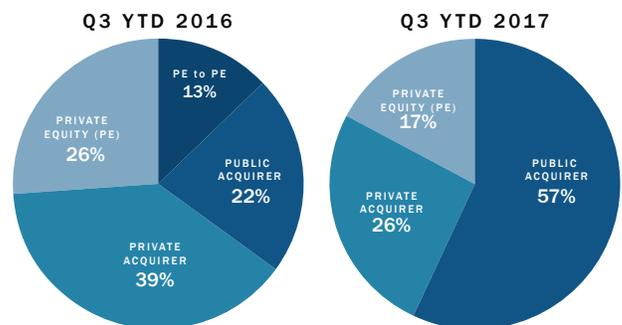
TRANSACTIONS BY BUYER TYPE



TRANSACTION SECTOR DETAIL



BUYER TYPE

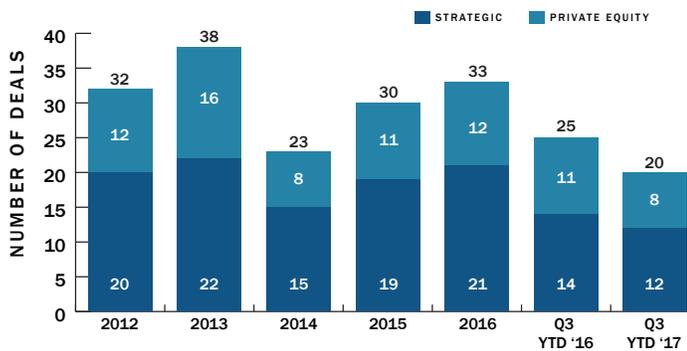


CROSS-BORDER DETAIL

	Q3 YTD 2016	Q3 YTD 2017
U.S.-to-U.S.	9	4
U.S.-to-Foreign	4	7
Foreign-to-U.S.	2	6
Foreign	16	18
Total	31	35
Distressed	-	-

Global Sheet and Thermoforming M&A

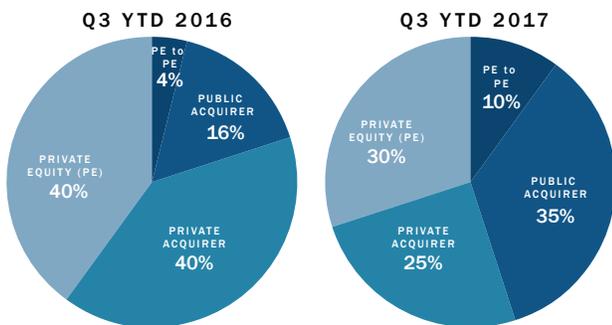
TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

	Q3 YTD 2016	Q3 YTD 2017
Food & Beverage	7	7
Industrial	9	3
Consumer	4	3
Construction	-	3
Medical	2	3
Automotive	3	-
Transportation	-	1
Electronics	-	-
Total	25	20

BUYER TYPE



CROSS-BORDER DETAIL

	Q3 YTD 2016	Q3 YTD 2017
U.S.-to-U.S.	12	9
U.S.-to-Foreign	3	1
Foreign-to-U.S.	1	2
Foreign	9	8
Total	25	20
Distressed	1	-

TRENDS IN M&A

- Global Sheet and Thermoforming M&A in Q3 YTD 2017 included 20 deals, compared to 25 deals in the same period in 2016. Both private equity and strategic buyers experienced declines in deal activity during the first 9 months of 2017
- The industrial end market saw significant declines in deal activity from 9 deals in Q3 YTD 2016 to 3 in Q3 YTD 2017 as private equity buyers in the sector had no acquisitions in the first nine months, compared to six in the first nine months of 2016
- Public acquirers accounted for significant industry consolidation, with their share of deal activity increasing from 16% in Q3 YTD 2016 to 35% in Q3 YTD 2017. Both private equity and private acquirers experienced overall declines in their proportion of deal activity

FEATURED SECTOR TRANSACTIONS

July 2017 – Revere Packaging announced the acquisition of Jadra, Inc., doing business as Plastic Package. Plastic Package manufactures and markets thermoformed plastic packaging containers and trays. The company's end markets include bakery, confection, cosmetics, food service packaging, retail solutions, electronic and secondary medical, and food produce markets. Revere Packaging – owned by Progress Equity Partners – produces aluminum foil containers and plastic packaging for the food service industry. Commenting on the transaction, David Watts, CEO of Revere Packaging, stated, "With more than 150 employees and over \$40 million in annual revenues, the newly-combined entity will more than double the size of sales, employees, and manufacturing capacity." The combined business will be headquartered in Shelbyville, KY.

September 2017 – Dallas-based ThermoServ Betras acquired all the assets of Dinnerware Inc.'s Prolon® Dinnerware. The acquired business – based in Mississippi – is a manufacturer of melamine dinnerware, accessories and plastic storage containers. ThermoServ manufactures plastic drink ware products. The Company serves customers in the coffee, collegiate, convenience, promotional, retail and healthcare industries. The acquisition is part of ThermoServ's strategy of shifting focus to also encompass casual dinnerware. The acquisition of Prolon expands the company's production capabilities in the tabletop area and positions the company for growth in the food service market.

July 2017 – Switzerland-based Schweiter Technologies AG (SWX:SWTQ) announced the acquisition of Ireland-based Athlone Extrusions. Athlone is one of the leading manufacturers of colored opaque multilayer plastic sheeting in Europe. The transaction is valued at €48 million. Athlone generated sales of €62 million and exports to over 40 countries worldwide. The company operates a 14,000 square-meter facility that has production capacity of 28,000 tons annually. The transaction for Schweiter comes at a time when the company sold its non-core textile machinery division and announced a focus on its composites business.

Sources: P&M Corporate Finance, Plastics News, Company Reports

Global Blow Molding M&A

TRENDS IN M&A

- Through Q3 YTD 2017, blow molding M&A has continued to achieve high levels of deal activity. The sector's deal activity has reached full year 2015 levels through the first nine months of 2017
- Private equity to private equity deals have increased from 9% of Q3 YTD 2016 deal flow to 23% of Q3 YTD 2017 deal flow. This indicates the continued attractiveness of blow molding assets to private equity
- Growth has been driven by increased activity in the industrial sector, which saw deal count rise to 9 deals in Q3 YTD 2017, compared to 5 deals in the same period in 2016. Strong private equity demand drove an increase in both add-on and platform acquisitions in the sector
- Domestic transactions have increased by 2 deals compared to Q3 YTD 2016, as have foreign transactions. Cross-border M&A with a U.S. buyer has experienced declines in Q3 YTD 2017, compared to the same period of 2016

FEATURED SECTOR TRANSACTIONS

September 2017 – Michael Dell's MSD Partners entered an agreement to acquire Tennessee-based Ring Container Technologies for an undisclosed amount. Ring is a leader in the plastic container manufacturing industry and is a blow molder of HDPE and PET plastic bottles for the food service, retail food and other end markets. Ring employs more than 700 people throughout its headquarters and manufacturing locations in 17 cities across the U.S., Canada and the UK. Commenting on the transaction, Kevin Brown, a Managing Director in the Private Capital Group at MSD Partners, stated, "Ring fits seamlessly with MSD Partners' strategy to invest for the long term in companies that are stable, in industries that are thriving, and in management teams that are able to generate growth." The transaction is expected to close in the fourth quarter of 2017.

July 2017 – ALPLA has announced the largest acquisition in the history of the company with its purchase of Johannesburg-based Boxmore Packaging. Boxmore Packaging is seen as the market leader for PET pre-forms and bottles (ISBM technology), as well as closures, in southern Africa. The company sells to customers in more than 20 countries and specializes in PET pre-forms, PET bottles and closures. Commenting on the transaction, ALPLA CEO Günther Lehner stated, "With this acquisition, the biggest in the history of the company, we are taking a significant step towards our targets on the African continent." The deal is in-line with ALPLA's strategy of using acquisitions to drive growth.

July 2017 – O2COOL®, a leading manufacturer of hydration, portable cooling, and patio, pool and beach products, announced its acquisition of bobble® from Seventh Generation Ventures. Seventh Generation Ventures is a subsidiary of Unilever and the target company includes unique bottle design and filtration features. bobble features hydration and filtration products with strong intellectual property to further complement O2COOL's marketplace leadership in the hydration space. The company's intellectual property includes more than 50 patents in the United States and globally.

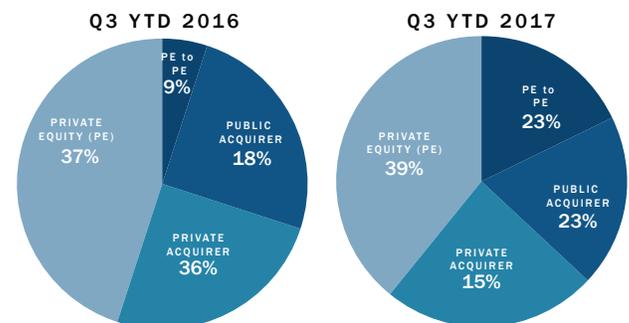
TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

	Q3 YTD 2016	Q3 YTD 2017
Food & Beverage	9	8
Industrial	5	9
Consumer	3	4
Construction	-	-
Medical	2	1
Automotive	1	-
Transportation	-	-
Electronics	-	-
Total	20	22

BUYER TYPE



CROSS-BORDER DETAIL

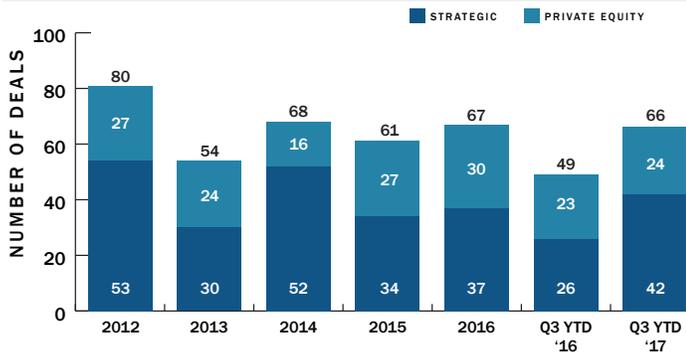
	Q3 YTD 2016	Q3 YTD 2017
U.S.-to-U.S.	6	8
U.S.-to-Foreign	3	1
Foreign-to-U.S.	1	1
Foreign	10	12
Total	20	22
Distressed	1	-

Other Global Plastic Processing Activity

TRENDS IN M&A

- M&A activity in Q3 YTD 2017 involving other plastic process types, including rotational molding, foam, pipe & tube, profile extrusion, and composites, grew significantly in Q3 YTD 2017, reaching 66 deals. This represents a 35% increase compared to the same period of 2016
- Strategic buyers have also continued to drive higher M&A volume in the sector, with deals increasing from 26 in Q3 YTD 2016 to 42 in Q3 YTD 2017
- The construction end market is the largest contributor to higher volumes, with deals increasing from 12 in Q3 YTD 2016 to 24 in Q3 YTD 2017. Transportation related deals also increased from 2 to 10 year-over-year
- Construction, industrial and transportation end markets accounted for 54 of the 66 deals in Q3 YTD 2017. Transportation growth included significant industry consolidation, with 9 strategic or private equity add-on deals
- Domestic and foreign markets experienced growth, with domestic M&A increasing from 16 in Q3 YTD 2016 to 22 in Q3 YTD 2017 and foreign deals increasing from 27 to 35 deals during the same time

TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

	Q3 YTD 2016	Q3 YTD 2017
Food & Beverage	-	1
Industrial	20	20
Consumer	8	4
Construction	12	24
Medical	2	2
Automotive	5	5
Transportation	2	10
Electronics	-	-
Total	49	66

FEATURED SECTOR TRANSACTIONS

Foam

July 2017 – O2 Investment Partners, on behalf of its portfolio company Packaging Concepts + Design, LLC has invested in Arizona-based Packaging Specialists, Inc (PSI). PSI is a leading designer and manufacturer of custom engineered foam and wood protective packaging products for major industrial manufacturers throughout the Southwestern United States. Commenting on the transaction, Joseph Gumbis, CEO of Packaging Concepts + Design stated, “the acquisition of PSI is highly complementary to PC&D’s extensive design and engineering capabilities.” The acquirer is seeking to expand its presence in the Southwestern United States through the acquisition.

September 2017 – One Rock Capital Partners agreed to acquire FXI, Inc. from Black Diamond Capital Management and MatlinPatterson Global Advisers. Based in Pennsylvania, FXI operates 18 facilities in the U.S. and Mexico and provides foam solutions for a wide range of end markets including bedding, furniture, transportation medical, filtration and acoustics. Tony W. Lee, Managing Partner of One Rock, commented, “FXI represents a compelling opportunity as a proven industry leader with a strong reputation in the market and dedicated commitment to its customers.”

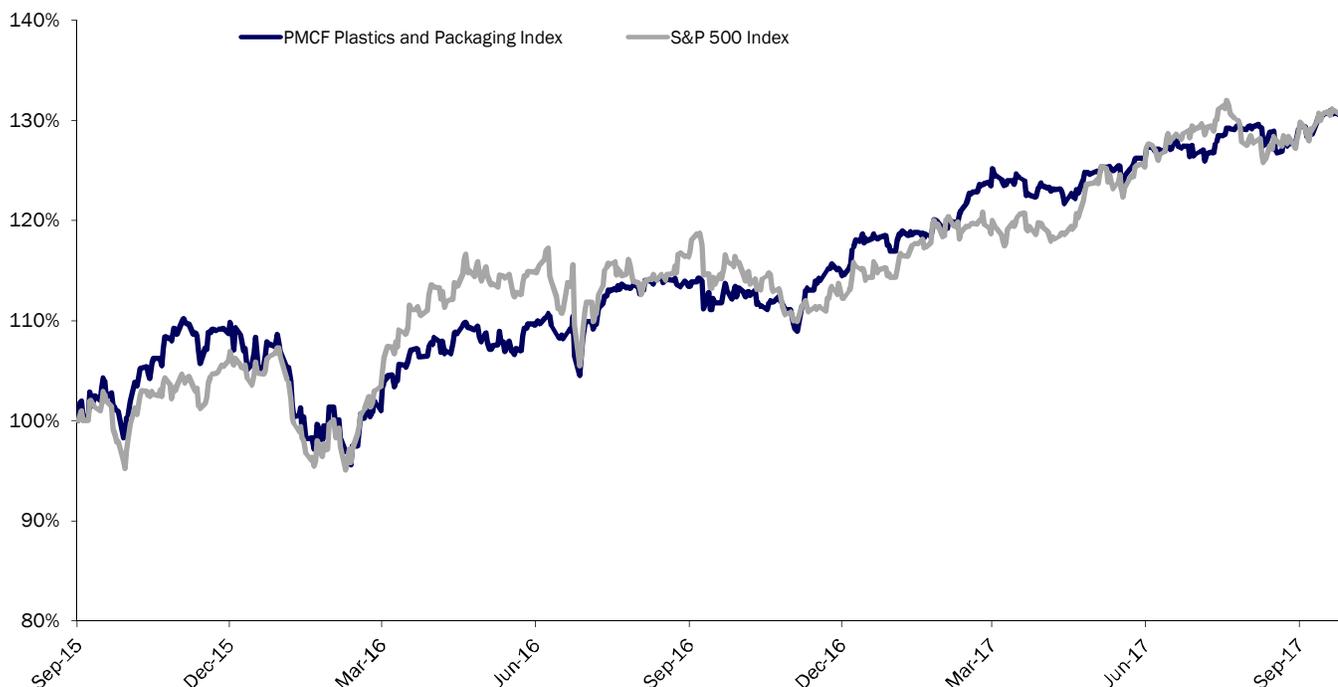
Compression

August 2017 – PRC Composites LLC has announced the acquisition of Globe Plastics Inc. Both companies are located in California. Globe specializes in compression, transfer and injection molding as well as custom mold, insert and tool making services. The target company’s end markets include aerospace, sound, lighting, oil and gas and technology. As part of the acquisition, PRC seeks to gain access to new end markets.

Fabrication

September 2017 – LTA Manufacturing LLC, as subsidiary of DeBruce Cos., acquired Ranch Fiberglass, ATC Truck Covers and Jason Industries. The three companies manufacture covers and fiberglass caps for pickup trucks. Commenting on the transaction, David Price, President of DeBruce Cos., stated, “The combination of Ranch, ATC and Jason will enable us to be more flexible and efficient.” LTA Manufacturing will handle the sales, marketing and manufacturing of all three brands under its umbrella.

PMCF Plastics & Packaging Index

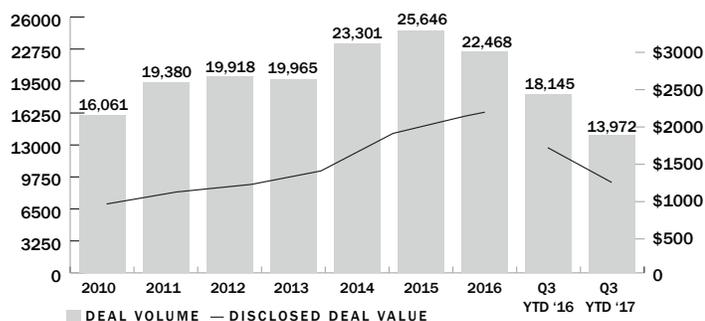


PMCF PLASTICS & PACKAGING STOCK MARKET INDEX VALUATION

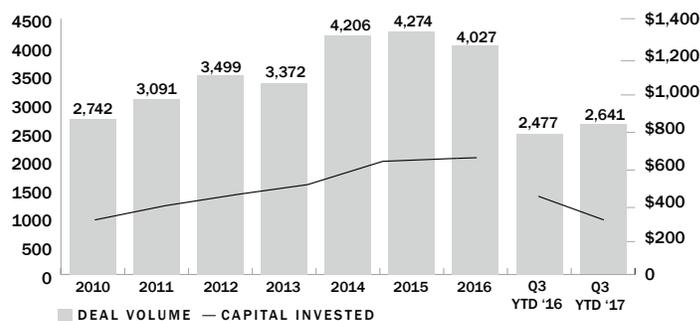
	Q3 '15	Q4 '15	Q1 '16	Q2 '16	Q3 '16	Q4 '16	Q1 '17	Q2 '17	Q3 '17
Revenue Multiple									
Average	1.3x	1.3x	1.3x	1.4x	1.5x	1.5x	1.5x	1.6x	1.6x
Median	1.2x	1.2x	1.2x	1.3x	1.3x	1.4x	1.4x	1.4x	1.5x
EBITDA Multiple									
Average	9.8x	9.7x	9.6x	9.9x	10.1x	10.1x	10.3x	10.8x	10.9x
Median	9.8x	10.0x	9.5x	10.2x	10.5x	10.3x	10.1x	10.9x	11.4x

- Representing strong sector performance, the PMCF Plastics & Packaging Index has performed in line with the appreciation of the S&P 500 through Q3 2017
- Average EV/EBITDA multiples increased from 10.1x in Q3 2016 to 10.9x in Q3 2017, demonstrating a continuation of robust valuation levels for the industry. Representing broad interest in the sector and valuation premiums, public multiples have increased in each of the last five quarters

OVERALL M&A ACTIVITY (NORTH AMER. & EUROPE) (dollars in billions)



U.S. PRIVATE EQUITY INVESTMENTS (dollars in billions)



- In contrast to plastics and packaging activity specifically, global M&A deal making in 2016 reflected lower activity than 2015. M&A volume through Q3 YTD 2017 reflected the potential for a further 23% annual decline as compared to 2016
- Despite lower private equity volume in 2016, compared to 2015, Q3 YTD 2017 private equity volume has increased compared to the same period in 2016
- Although U.S. private equity deal volume in the first nine months of 2017 has increased, the amount of capital deployed has declined compared to the same period of last year. This suggests continued activity from private equity, although the average reported deal size has declined

*Overall M&A activity Includes all transactions with at least one company based in North America or Europe
Sources: Capital IQ, Pitchbook, and PMCF Estimates. See page 12 for Index detail



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