

Check out PMCF's Plastics & Packaging year end reports for 2019 that we recently published to get a more in-depth discussion on last year's M&A activity

PMCF INDUSTRY M&A ACTIVITY TRACKING

Global Plastics M&A volume recorded 25 transactions in February, a decrease of 14 deals over the same period in 2019 and a slight increase over January 2020 levels. All subsectors were lower or flat compared to last year except for Specialty, which increased by 1 transaction. While the decrease in M&A activity for the month appears sizeable compared to 2019, we are careful not to draw any negative conclusions given last year's monthly data was uniquely high compared to historical averages (24 transactions were recorded in January 2020). Private equity continues to play a major role in plastics deal activity, increasing in February over last year and tracking at similar levels on a year-to-date basis.

M&A volume for Global Packaging decreased by 2 transactions in February compared to last year but is up slightly for the first two months of the year. Plastic based packaging deals (both flexible and rigid) declined in February and both sub sectors are lower for the first two months compared to last year. Flexible plastic packaging is down considerably while rigid plastic packaging is only down by 2 transactions. Paper Packaging transactions, on the other hand, doubled in February compared to last year and are up over 40% for the year. The large increase in paper packaging so far this year has been due to an influx of corrugated packaging transactions. From a buyer's standpoint, strategic and private equity platform buyers both increased their share of total transactions, while private equity add-on transaction volume decreased for the month and is lagging last year on a year-to-date basis.

Global stock markets experienced sharp declines in the latter part of February as fear of the negative economic impact of the COVID-19 virus caused a major selloff by investors. PMCF's Plastics & Packaging stock market indices were all negatively impacted, posting above or close to double-digit losses for the month. The impact of the virus on plastics and packaging M&A activity is not yet determined.

Data as of February 29, 2020	Month-to-Date (MTD)			Year-to-Date (YTD)		
Plastics	2019	2020	Change	2019	2020	Change
Blow Molding	3	0	-3	5	4	-1
Injection Molding	12	7	-5	22	13	-9
Film	7	3	-4	13	6	-7
Resin / Color & Compounding	4	4	0	7	9	2
Sheet & Thermoforming	4	1	-3	5	1	-4
Specialty	9	10	1	11	16	5
Total Plastics	39	25	-14	63	49	-14
Strategic	62%	60%	-2%	57%	57%	0%
Financial Buyer - Add-on	28%	32%	4%	32%	31%	-1%
Financial Buyer - Platform	10%	8%	-2%	11%	12%	1%
Packaging	2019	2020	Change	2019	2020	Change
Rigid Plastic	7	3	-4	11	9	-2
Flexible Plastic	7	2	-5	14	4	-10
Paper	7	14	7	18	26	8
Other	5	5	0	8	13	5
Total Packaging	26	24	-2	51	52	1
Strategic	65%	71%	5%	59%	63%	5%
Financial Buyer - Add-on	27%	13%	-14%	29%	21%	-8%
Financial Buyer - Platform	8%	17%	9%	12%	15%	4%

Sources: Capital IQ, PitchBook, Thomson Reuters, Company Reports, PMCF

NOTABLE M&A ACTIVITY

Date	Acquirer	Target	Category
02/27/20	Graphic Packaging International, LLC	Consumer Packaging Group Business of Greif, Inc.	Folding Cartons
02/19/20	TriMas Corporation	Rapak, LLC	Film / Flexible Packaging
02/18/20	Mitsubishi Chemical Corp.	Recycling activities of Minger Kunststofftechnik AG	Resin Supplier
02/18/20	Schweitzer-Mauduit International, Inc.	Trient Technologies, Inc./Tekra Corporation	Film
02/17/20	Atlantic Corporation	Coastal Corrugated, Inc.	Corrugated
02/14/20	AptarGroup, Inc.	Fusion Packaging I, L.P.	Injection Molding / Rigid Packaging
02/11/20	Gryphon Investors Inc	Pacur, LLC	Sheet
02/10/20	Intertape Polymer Group Inc. (TSX:ITP)	Nortech Packaging	Machinery/Equipment
02/04/20	Silgan Holdings Inc.	Cobra Plastics, Inc.	Injection Molding / Rigid Packaging
02/03/20	Welch Packaging Group, Inc.	Tri-Lakes Container Corp.	Corrugated

PUBLIC ENTITY PERFORMANCE

Index	% Change February MTD	% Change February YTD
S&P 500 Index	↓ -8.4%	↓ -8.6%
PMCF Plastics & Packaging Index ⁽¹⁾	↓ -11.0%	↓ -15.4%
Rigid Plastic Packaging ⁽²⁾	↓ -12.2%	↓ -16.7%
Flexible Plastic Packaging ⁽³⁾	↓ -11.2%	↓ -15.1%
Other Packaging ⁽⁴⁾	↓ -8.1%	↓ -3.6%
Paper Packaging ⁽⁵⁾	↓ -8.4%	↓ -18.5%

(1) AMC, ATR, AVY, BLL, BERY, CCLB, CLN, POM, CMT, ESNT, FOE, HUH1V, ITP, LYB, MYE, SLGN, NPK, POL, SEE, SIM, SOLB, SON, TCLA, TG, WLK, WPK, IPLP, NWL (2) ATR, BERY, IPLP, NPK, SLGN, SON (3) AMC, HUH1V, SEE, TCLA, WPK (4) AVY, BLL, CCLB, CCK, GXI, OI, TSE:5901, ARD (5) CAS, SMDS, GPK, GEF, IP, MNDI, PKG, SK3, WRK

MAJOR NEWS

- Plastics medical products manufacturers expect growth in 2020 (*Plastics News*)
- US economic activity in manufacturing sector expands in February (*Fastmarkets RISI*)
- Glass, Once the King of Packaging, Seeks a Comeback (*Wall Street Journal*)
- Coronavirus and the Stock Market: The Power of Panic (*Nasdaq*)

For more information, check out our new website, where you can access the electronic version of this report, sign up for future emails, read our latest industry reports, and more!

ABOUT PMCF'S PLASTICS & PACKAGING GROUP

PMCF's Plastics and Packaging investment bankers are dedicated solely to serving the needs of middle-market transactions within the plastics and packaging industries. Our exclusive focus on plastics and packaging sale, merger, and acquisition advisory provides significant advantages to our clients and the opportunity to maximize value in a transaction. PMCF's extensive coverage of these industries has provided us with specialized, in-depth knowledge of the sector dynamics and relationships with key strategic and financial industry players. Our firm has been serving the plastics and packaging industries for over 20 years and has a long track record of successful transactions involving specialty, niche players in these industries.

Please let us know if you would like to set up a confidential call or meeting. My contact information is john.hart@pmcf.com or 248.223.3468.

Rigid Packaging

Flexible Packaging

Engineered Products

Corrugated & Paper Packaging

Blow Molding

Injection Molding

Extrusion

Specialty Film

Color & Compounding

Printing & Labeling

Thermoforming

Packaging Machinery

RECENT PMCF PLASTICS & PACKAGING TRANSACTIONS



SPECIALTY EXTRUSION & INJECTION MOLDING



INJECTION & BLOW MOLDED PACKAGING



THERMOFORMED PACKAGING, FOLDING CARTONS



SPECIALTY PAPER & LUXURY PACKAGING



Two-time winner, Boutique Investment Banking Firm of the Year by M&A Advisor

Awarded, Cross Border Corporate and Strategic Acquisition of the Year by M&A Advisor

Awarded, Cross Border M&A Deal of the Year by M&A Advisor

Awarded, Deal of the Year by ACG Detroit

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