

PMCF Industry M&A Activity Tracking

Global Plastics & Packaging transaction activity experienced further recovery from COVID in August 2020 with both sectors reporting modest increases in activity over July levels.

Global Plastics M&A recorded 26 transactions which was higher than last month by 2 transactions but still behind last year's YTD total by 6 transactions. Injection Molding was the most active subsector in August, representing more than 40% of plastics transaction activity for the month with notable transactions involving both medical and industrial molders. Resin, Color & Compounding also had another strong month and continues to outperform last year by a meaningful margin. Transactions involving a buyer with a strategic angle (strategic and private equity add-on) continue to represent the majority of plastics transactions with the number of transactions in these buyer categories tracking similar to last year for the month of August. Private equity platforms continue to lag last year which is likely due to the reliance upon bank financing and shorter-term financial results to meet sellers' valuation expectations.

Global Packaging M&A reported its first monthly increase over last year since March 2020 with 19 transactions compared to 18 transactions in August 2019. Distribution across the subsectors was similar to last year and Paper continues to be the strongest performing subsector on a year-to-date basis. Other packaging (which includes machinery/equipment, metal, distribution, and glass packaging) had a particularly strong month driven by 3 notable packaging distribution transactions. The buyer makeup for packaging was heavily weighted towards strategic buyers which increased by 5 transactions, or 50% for the month. Private equity add-ons declined by 2 transactions and there were no recorded private equity platform transactions for the month, which is highly unusual even in this COVID environment.

Overall, the environment for plastics and packaging M&A continues to improve but is still not fully recovered from COVID. We don't expect full recovery for quite some time but have been encouraged by the level of activity over the last few months and the notable transactions. Multiples being paid for high quality plastics and packaging businesses continue to be strong based on the transactions we've seen with the COVID impact on the business being a critical factor. If you are a plastics and packaging company considering a sale or recapitalization in the short or longer term, please consider leveraging PMCF's transaction planning and execution expertise to best position your company for a transaction.

Data as of August 31, 2020		Month-to-Date (MTD)			Year-to-Date (YTD)		
Plastics	2019	2020	Change	2019	2020	Change	
Blow Molding	1	0	-1	20	9	-11	
Injection Molding	8	11	3	65	48	-17	
Film	2	2	0	39	14	-25	
Resin / Color & Compounding	4	6	2	29	36	7	
Sheet & Thermoforming	5	2	-3	19	10	-9	
Specialty	12	5	-7	60	51	-9	
Total Plastics	32	26	-6	232	168	-64	
Strategic	56%	65%	9%	56%	60%	4%	
Financial Buyer - Add-on	19%	19%	0%	25%	24%	0%	
Financial Buyer - Platform	25%	15%	-10%	19%	15%	-3%	
Packaging	2019	2020	Change	2019	2020	Change	
Rigid Plastic	4	5	1	50	34	-16	
Flexible Plastic	2	1	-1	37	10	-27	
Paper	8	8	0	74	65	-9	
Other	4	5	1	32	28	-4	
Total Packaging	18	19	1	193	137	-56	
Strategic	56%	79%	23%	55%	65%	10%	
Financial Buyer - Add-on	33%	21%	-12%	24%	21%	-3%	
Financial Buyer - Platform	11%	0%	-11%	20%	14%	-6%	

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

Notable M&A Activity

Date ⁽¹⁾	Acquirer	Target	Category
08/31/20	Americhem, Inc.	Controlled Polymers A/S	Color & Compounding
08/27/20	TricorBraun, Inc.	Price Container And Packaging Corporation	Distribution
08/25/20	Fitesa S.A.	Personal Care Films Business of Tredegar Corporation	Film
08/24/20	Bunzl plc (LSE:BNZL)	Abco Kovex Limited	Distribution
08/11/20	Pipeline Packaging	HAZMATPAC, Inc.	Distribution
08/10/20	CCL Industries Inc. (TSX:CCL.B)	Graphic West International ApS	Folding Cartons
08/06/20	Nolato AB (publ) (OM:NOLA.B)	GW Plastics, Inc.	Injection Molding
08/05/20	Balcones Resources, Inc.	Single Stream Recyclers LLC	Recycling
08/03/20	DAIHO USA Corp.	Polyfab LLC	Injection Molding

(1) Announced Date

Public Entity Performance

Index	% Change August MTD	% Change August YTD
S&P 500 Index	↑ 7.0%	↑ 8.3%
PMCF Plastics & Packaging Index ⁽¹⁾	↑ 6.3%	↓ -8.0%
Rigid Plastic Packaging ⁽²⁾	↑ 2.2%	↑ 1.8%
Flexible Plastic Packaging ⁽³⁾	↑ 7.5%	↑ 0.9%
Other Packaging ⁽⁴⁾	↑ 7.0%	↑ 5.9%
Paper Packaging ⁽⁵⁾	↑ 5.6%	↓ -18.6%

(1) AMC, ATR, AVY, BLL, BERY, CCL.B, CLN, POM, CMT, ESNT, FOE, HUH1V, ITR, 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, CCL.B, CCK, GXI, OI, TSE:5901, ARD (5) CAS, SMDS, GPK, GEF, IP, MNDI, PKG, SK3, WRK

Major News

- Pactiv Evergreen Inc. (currently Reynolds Group Holdings) files for proposed IPO (*Fastmarkets RISI*)
- Commodity resin prices up in August, hurricane impact unclear for September (*Plastics News*)
- Flexible Packaging Delivers in the Ecommerce Era (*Packaging Digest*)
- 'It's all on hold': how Covid-19 derailed the fight against plastic waste (*The Guardian*)

Use Our Expertise to Maximize Shareholder Value

Since our inception over 25 years ago, PMCF has offered robust transaction planning and preparation services to help business owners achieve the best possible outcome in a transaction whether it be in the short or long term. Our long track record of successful transactions is directly attributable to our focus on preparation and being proactive throughout the transaction process.

STRATEGIC ASSESSMENT

- 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 current value in today's market
- PMCF can provide a benchmark comparison of your organization's strengths, weaknesses, and anticipated buyer viewpoints

WORKING WITH PMCF

- PMCF is a licensed and FINRA-registered investment banking organization
- Confidentiality is of the highest importance and we welcome the execution of appropriate agreements prior to the exchange of data
- PMCF's senior bankers will respond to any inquiries and will be directly involved in all discussions
- If engaged, the majority of PMCF's costs are contingent on a successful transaction
- We insist on potential clients contacting our long list of references

Considering a sale involves balancing shareholder and company goals as well as M&A market conditions – a challenging exercise. Our plastics and packaging team can assist in guiding your decision making with insight regarding shareholder succession, timing, acquisitions, major capital expenditures, personnel changes, and other key milestones

Company Goals

- Maximum Financial Performance and Growth
- Improve Competitive Position
- Maintain Financial Flexibility
- Generate Returns for Shareholders



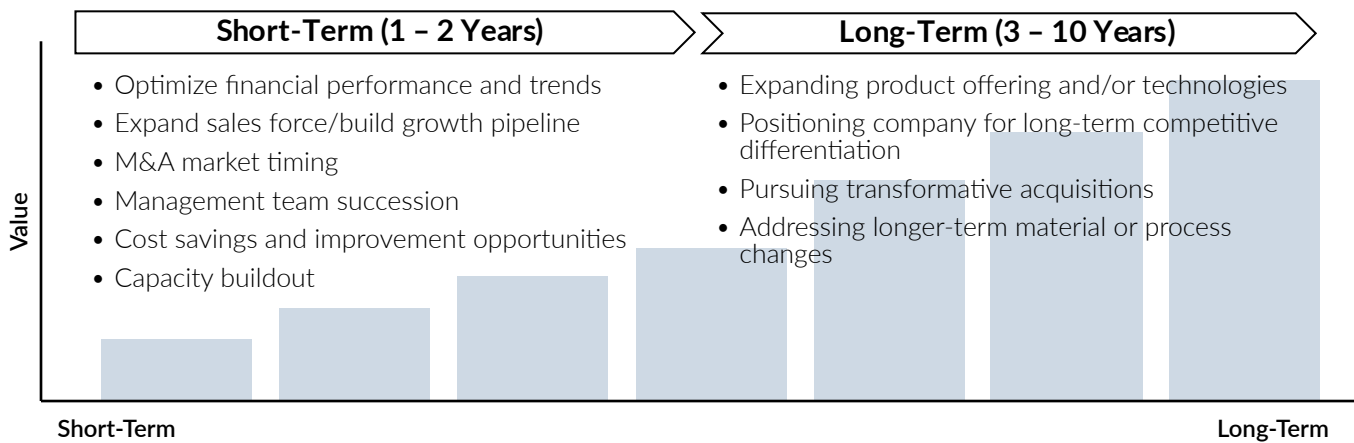
Impact:
Valuation
ROI
Sale Timing



Shareholder Goals

- Maximize Shareholder Value
- Maintain Adequate Risk/Return Profile
- Liquidity/Wealth Diversification
- Adequate Succession Planning/Exit Strategy

Short & Long-Term Horizons: PMCF Helps the Whole Way



Please let us know if you would like to set up a confidential call or meeting to discuss transaction planning and execution in short or long-term. You can reach John Hart, who leads PMCF's Plastics & Packaging Group at (248) 223-3468 or john.hart@pmcf.com.

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.

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

THERMOFORMED
PACKAGING

SPECIALTY EXTRUSION &
INJECTION MOLDING

INJECTION & BLOW
MOLDED PACKAGING

SPECIALTY PAPER &
LUXURY PACKAGING

THERMOFORMED PACKAGING,
FOLDING CARTONS

CORRUGATED
PACKAGING

CORRUGATED PACKAGING &
EQUIPMENT

SPECIALTY
EXTRUSION



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

Awarded, Manufacturing Deal of the Year by MiBiz

P&M Corporate Finance

Two Towne Square, Suite 425
Southfield, MI 48076

First Class
US Postage
PAID
Plante Moran
48037

Experienced Professionals. Trusted Advisors. Proven Results.

SIGN UP to receive our
market and transaction
updates:



This Plastics & Packaging M&A Update is not an offer to sell or a solicitation of an offer to buy any security. It is not intended to be directed to investors as a basis for making an investment decision. This Plastics & Packaging M&A Update does not rate or recommend securities of individual companies, nor does it contain sufficient information upon which to make an investment decision.

P&M Corporate Finance, LLC will seek to provide investment banking and/or other services to one or more of the companies mentioned in this Plastics & Packaging M&A Update.

P&M Corporate Finance, LLC, and/or the analysts who prepared this Plastics & Packaging M&A Update, may own securities of one or more of the companies mentioned in this Plastics & Packaging M&A Update.

The information provided in this Plastics & Packaging M&A Update was obtained from sources believed to be reliable, but its accuracy cannot be guaranteed. It is not to be construed as legal, accounting, financial, or investment advice. Information, opinions, and estimates reflect P&M Corporate Finance, LLC's judgment as of the date of

publication and are subject to change without notice. P&M Corporate Finance, LLC undertakes no obligation to notify any recipient of this Plastics & Packaging M&A Update of any such change.

The charts and graphs used in this Plastics & Packaging M&A Update have been compiled by P&M Corporate Finance, LLC solely for illustrative purposes. All charts are as of the date of issuance of this Plastics & Packaging M&A Update, unless otherwise noted.

The PMCF Plastics and Packaging Indices may not be inclusive of all companies in the Plastics and Packaging industries and is not a composite index of the Plastic and Packaging industry sector returns. Index and sector returns are past performance which is not an indicator of future results.

This Plastics & Packaging M&A Update is not directed to, or intended for distribution to, any person in any jurisdiction where such distribution would be contrary to law or regulation, or which would subject P&M Corporate Finance, LLC to licensing or registration requirements in such jurisdiction.

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!



www.pmcfc.com