

PMCF Industry M&A Activity Tracking

Global Plastics M&A experienced further recovery from COVID in September 2020 with 29 transactions, a modest increase over last month but still lagging last year by 2 transactions. Despite the year-over-year decline, September transaction activity represents the highest level of reported transactions for 2020 which is a positive indicator for Plastics M&A in the near term. The Specialty sub sector including extrusion, foam, composites, and rotomolding led the way reporting nearly double the number of transactions compared to last year. Film also had a strong month after being one of the lowest performing subsectors of 2020. Buyer makeup for September was similar to last year overall but had a slight uptick in private equity platform transactions which is the first increase we've seen in several months.

Global Packaging M&A also reported increased activity levels with September representing the highest level of transaction activity since COVID started impacting M&A in March 2020. Reported transactions were higher than last month by 21% but substantially lower than last year's abnormally high transaction levels. From a sub sector standpoint, Paper Packaging reported the highest number of transactions for the month and continues to be the most resilient through the COVID pandemic. Rigid Plastic reported a modest increase over last month and has been showing consistent recovery over the last few months. Flexible Plastic had its best month of 2020, but it is unclear as to whether or not this is the start of a positive trend given the low levels of activity reported since the beginning of 2020. We saw a notable shift in buyer makeup in packaging for September with an increase in private equity platforms and overall private equity representing the majority of total transactions, something we have not seen since COVID began.

Overall, we continue to be encouraged by the level of transaction activity in both plastics and packaging and the pace of COVID recovery. September reported high-water marks for both plastics and packaging M&A, and we were pleased to see private equity platform activity report increases over prior months. We expect to see similar levels of transaction activity in both sectors for Q4 2020 based on the current pipeline of deals in the market and feedback we've received from many of the top consolidators. The timing of a full recovery of M&A from COVID is still uncertain but we believe the resilience of EBITDA multiples for high quality plastics and packaging businesses will continue to be helpful.

If you are a plastics and packaging 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.

Data as of September 30, 2020	Month-to-Date (MTD)			Year-to-Date (YTD)		
	2019	2020	Change	2019	2020	Change
Plastics						
Blow Molding	3	3	0	23	12	-11
Injection Molding	10	7	-3	75	55	-20
Film	5	6	1	44	20	-24
Resin / Color & Compounding	5	4	-1	34	40	6
Sheet & Thermoforming	3	0	-3	22	10	-12
Specialty	5	9	4	65	60	-5
Total Plastics	31	29	-2	263	197	-66
Strategic	55%	52%	-3%	56%	59%	3%
Financial Buyer - Add-on	29%	28%	-1%	25%	25%	0%
Financial Buyer - Platform	16%	21%	5%	19%	16%	-2%
Packaging						
Rigid Plastic	10	7	-3	60	41	-19
Flexible Plastic	6	5	-1	43	15	-28
Paper	10	9	-1	84	74	-10
Other	6	2	-4	38	30	-8
Total Packaging	32	23	-9	225	160	-65
Strategic	59%	48%	-12%	56%	63%	6%
Financial Buyer - Add-on	28%	26%	-2%	25%	22%	-3%
Financial Buyer - Platform	13%	26%	14%	19%	16%	-3%

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

Notable M&A Activity

Date	Acquirer	Target	Category
09/25/20	Coveris Holdings S.A.	HLB SFV	Paper Packaging
09/25/20	Foam Fabricators, Inc.	Rational Packaging LLC	Paper Packaging
09/19/20	Angstrom Automotive Group LLC	Vantec, Inc.	Injection Molding
09/17/20	Essentra plc (LSE:ESNT)	3C Packaging, Inc.	Folding Cartons
09/16/20	Auxo Investment Partners	Precision Products Group Inc.	Extrusion, Film
09/14/20	Saint-Gobain Performance Plastics Inc.	MS Techniques SA / Transluminal Technologies LLC	Medical
09/09/20	ATAR Capital LLC	WinCup, Inc.	Rigid Packaging
09/02/20	MedBio LLC	Polymer Conversions Inc.	Injection Molding
09/01/20	Americhem, Inc.	Controlled Polymers A/S	Color & Compounding

Public Entity Performance

Index	% Change September MTD	% Change September YTD
S&P 500 Index	↓ -3.9%	↑ 4.1%
PMCF Plastics & Packaging Index ⁽¹⁾	↑ 2.0%	↓ -6.0%
Rigid Plastic Packaging ⁽²⁾	↓ -4.6%	↓ -2.9%
Flexible Plastic Packaging ⁽³⁾	↓ -0.6%	↑ 0.3%
Other Packaging ⁽⁴⁾	↑ 2.9%	↑ 9.0%
Paper Packaging ⁽⁵⁾	↑ 9.9%	↓ -10.6%

(1) AMC, ATR, AVY, BLL, BERY, CCLB, 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, CCLB, CCK, GXI, OI, TSE:5901, ARD (5) CAS, SMDS, GPK, GEF, IP, MNDI, PKG, SK3, WRK

Major News

- Tariffs complicate COVID supply chains (*Plastics News*)
- Packaging a bright spot in the COVID-19 economy (*Plastics News*)
- Tight supplies challenge PE, PP resin markets in 2020 (*Plastics News*)
- Global oil demand may have passed peak, says BP energy report (*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



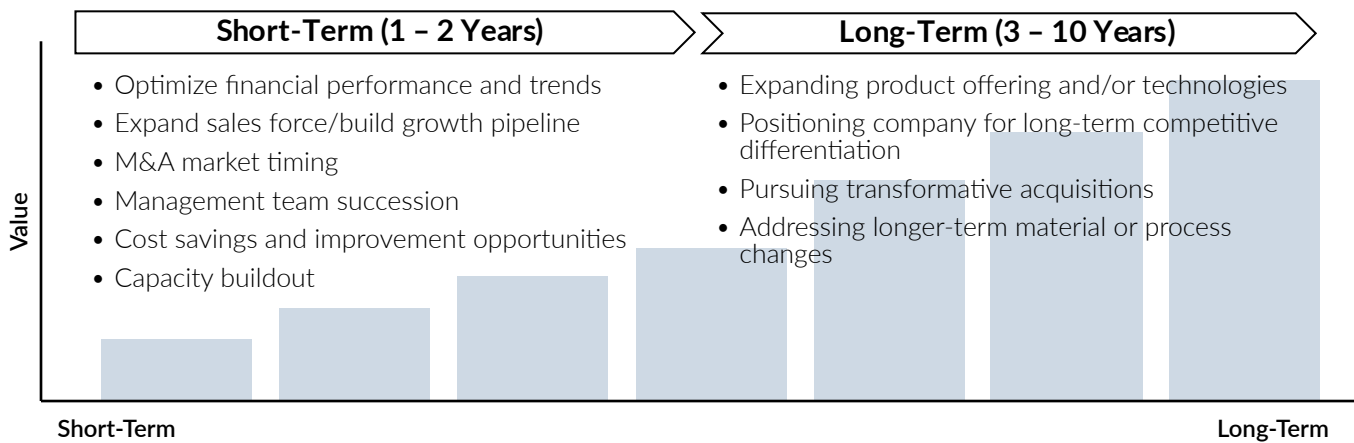
Impact:
Valuation
ROI
Sale Timing



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 the 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.

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|---------------------|---------------------|---------------------|------------------------------|
| 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

PANORAMIC
has been acquired by
ANCHOR
PACKAGING
a portfolio company of
THE JORDAN COMPANY

THERMOFORMED
PACKAGING

Teel
PLASTICS, INC.
has completed a recapitalization with
MPE
PARTNERS

SPECIALTY EXTRUSION &
INJECTION MOLDING

OLCOTT PLASTICS
MANUFACTURER OF PLASTIC JARS & CLOSURES
has been acquired by
PRETIUM
PACKAGING IDEAS INTO YOUR SOLUTIONS
a portfolio company of
GENSTAR
CAPITAL, LLC

INJECTION & BLOW
MOLDED PACKAGING

FRENCH PAPER co
has been acquired by
finch
a portfolio company of
ATLAS HOLDINGS
BLUE WOLF

SPECIALTY PAPER &
LUXURY PACKAGING

Transparent
Container
Visual Packaging Solutions
has been acquired by
Rohrer
a portfolio company of
SHOREVIEW

THERMOFORMED PACKAGING,
FOLDING CARTONS

GRAND TRAVERSE CONTAINER, INC.
has been acquired by
GREEN BAY
PACKAGING INC.

CORRUGATED
PACKAGING

PLYMOUTH PACKAGING
BOX ON DEMAND
has been acquired by
WestRock

CORRUGATED PACKAGING &
EQUIPMENT

mp MERCURY PLASTICS, INC.
has been acquired by
MASCO

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

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