

PMCF Industry M&A Activity Tracking

Global Plastics M&A finished the year strong with record transaction volume for the month of December as many buyers and sellers worked to close transactions before the turn of the calendar year. With 37 deals recorded during the month, December increased by 11 deals (or 42%) over last year which has typically been a strong month for M&A historically. After a period of suppressed transaction volume, Film experienced the largest monthly increase due to large number of flexible packaging transaction closings reported for the month. The remaining subsectors all had strong volume but only two remain positive for the full year 2020 compared to last year. Buyer makeup continued to favor strategic buyers which represented more than 60% of the transactions for the month.

Global Packaging M&A also experienced high transaction activity in December, recording 38 deals, a monthly level we have not seen since 2015. All Packaging sub-sectors were up for the month, led by transactions in the Flexible Plastic and Other sub-sectors. All of the Packaging subsectors finished the year lower than 2019 with Paper and Other showing the most resiliency in a COVID impacted year. While financial buyers experienced a faster decline in volume at the onset of the pandemic, we have seen an uptick in volume in the second half of 2020 with many marquee packaging platform transactions completed. On a full-year basis, the total buyer mix was relatively unchanged from 2019.

Transaction multiples remain strong across many of the Plastics and Packaging subsectors which should continue to motivate shareholders to explore transactions. High quality, well-performing plastics and packaging business are primed to take advantage of what continues to be a seller's market.

Looking back at the past year, 2020 was a year of unprecedented challenges, intensifying political division, and many hardships resulting from the COVID pandemic. However, even in the face of these great challenges, the Plastics and Packaging industries found a way to move forward, with many companies thriving, and the M&A markets recovering relatively quickly. As we begin 2021, we are cautiously optimistic that Plastics and Packaging M&A volume will continue the momentum from the second half of 2020 and be strong for the first half of 2021.

If you are a plastics or 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.

Our research on Plastics & Packaging M&A activity was recently published on the front page of the Plastics News. Please check out the article online!

Notable M&A Activity

| Date | Acquirer | Target | Category |
|----------|-----------------------------|--|---------------------------------|
| 12/29/20 | Wynnchurch Capital LLC | Huntington Foam LLC | Foam / Rigid Packaging |
| 12/23/20 | Kelso & Company, L.P. | Inmark, LLC | Packaging Distributor |
| 12/14/20 | A.P. Møller Holding A/S | Færch Plast A/S | Thermoforming / Rigid Packaging |
| 12/10/20 | SK Capital Partners | lpackchem Group SAS | Blow Molding / Rigid Packaging |
| 12/10/20 | Fortis Solutions Group, LLC | Kala Packaging LLC | Printing/Labels |
| 12/10/20 | Resource Label Group, LLC | Labels West Inc. | Printing/Labels |
| 12/04/20 | Arkema S.A. (ENXTPA:AKE) | Colorado Photopolymer Solutions | Resin / Color & Compounding |
| 12/01/20 | PPC Flexible Packaging LLC | Custom Poly Bag, Inc. | Flexible Packaging |
| 12/01/20 | Graham Partners | Flexible converting business of Berry Global Group | Flexible Packaging |
| 12/01/20 | ACON Investments LLC | Novipax LLC | Foam / Rigid Packaging |

Public Entity Performance

| Index | % Change December MTD | % Change December YTD |
|--|-----------------------|-----------------------|
| S&P 500 Index | ↑ 3.7% | ↑ 16.3% |
| PMCF Plastics & Packaging Index ⁽¹⁾ | ↑ 4.3% | ↓ 11.7% |
| Rigid Plastic Packaging ⁽²⁾ | ↑ 6.5% | ↑ 11.4% |
| Flexible Plastic Packaging ⁽³⁾ | ↑ 4.5% | ↑ 9.6% |
| Other Packaging ⁽⁴⁾ | ↑ 0.9% | ↑ 26.8% |
| Paper Packaging ⁽⁵⁾ | ↑ 5.3% | ↑ 8.6% |

(1) AMC, ATR, AVY, BLL, BERY, CCLB, CLN, CMT, ESNT, FOE, HUH1V, ITP, LYB, MYE, SLGN, NPK, POL, SEE, SIM, SOLB, SON, TCLA, TG, WLK, WPK, NWL (2) ATR, BERY, 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

| Data as of December 31, 2020 | Month-to-Date (MTD) | | | Year-to-Date (YTD) | | |
|------------------------------|---------------------|-----------|-----------|--------------------|------------|------------|
| | 2019 | 2020 | Change | 2019 | 2020 | Change |
| Plastics | 26 | 37 | 11 | 337 | 285 | -52 |
| Blow Molding | 2 | 3 | 1 | 26 | 17 | -9 |
| Injection Molding | 9 | 9 | 0 | 100 | 79 | -21 |
| Film | 1 | 9 | 8 | 55 | 35 | -20 |
| Resin / Color & Compounding | 6 | 4 | -2 | 45 | 51 | 6 |
| Sheet & Thermoforming | 2 | 1 | -1 | 29 | 15 | -14 |
| Specialty | 6 | 11 | 5 | 82 | 88 | 6 |
| Total Plastics | 26 | 37 | 11 | 337 | 285 | -52 |
| Strategic | 46% | 62% | 16% | 55% | 59% | 4% |
| Financial Buyer - Add-on | 31% | 24% | -6% | 26% | 24% | -2% |
| Financial Buyer - Platform | 23% | 14% | -10% | 19% | 17% | -2% |
| Packaging | 17 | 38 | 21 | 289 | 234 | -55 |
| Rigid Plastic | 7 | 8 | 1 | 77 | 57 | -20 |
| Flexible Plastic | 1 | 7 | 6 | 52 | 28 | -24 |
| Paper | 5 | 10 | 5 | 114 | 105 | -9 |
| Other | 4 | 13 | 9 | 46 | 44 | -2 |
| Total Packaging | 17 | 38 | 21 | 289 | 234 | -55 |
| Strategic | 35% | 32% | -4% | 53% | 55% | 1% |
| Financial Buyer - Add-on | 35% | 34% | -1% | 28% | 26% | -1% |
| Financial Buyer - Platform | 29% | 34% | 5% | 19% | 19% | 0% |

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

Major News

- Price hikes bring unpleasant surprise to resin markets in December (*Plastics News*)
- Packaging Possibilities: US Likely to Pursue EPR Policies in 2021 (*Packaging Digest*)
- Review 2020: Record 2H US box volume during virus; insiders watch for 2nd price rise, capacity add impact (*Fastmarkets RISI*)
- Industrial Production in U.S. Rose a Solid 1.6% in December (*Wall Street Journal*)

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



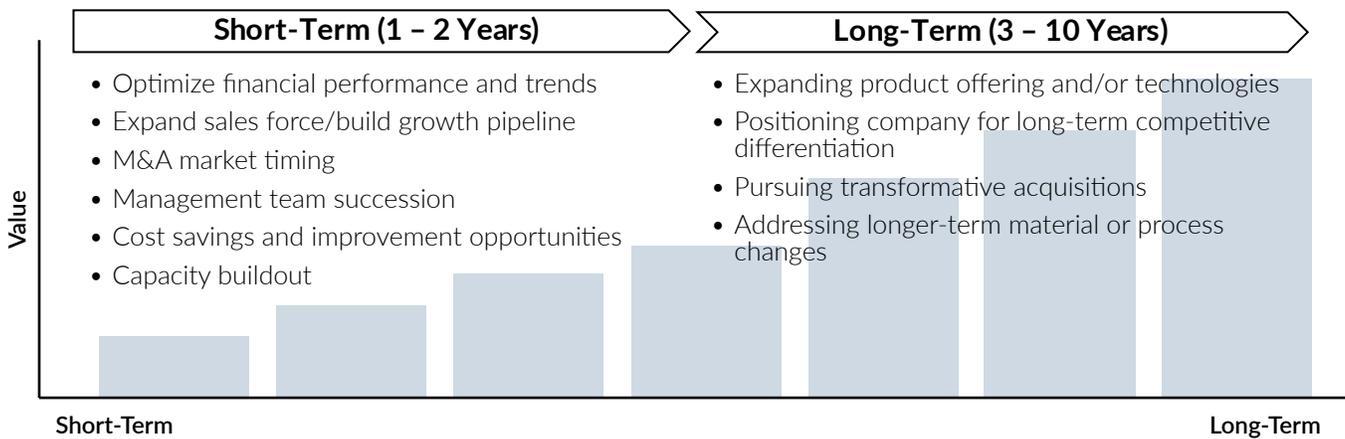
Impact:
Valuation
ROI
Sale Timing



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.

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

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