

Check out PMCF's recently published *Plastics & Packaging 2020 year end reports* to get a more in-depth discussion on last year's M&A activity

### PMCF Industry M&A Activity Tracking

M&A volume for Global Plastics got off to a quick start in 2021 as 37 transactions were recorded in the month of January (54% increase year-over-year). Both private equity and strategic transactions increased year-over-year and continued the elevated activity levels observed in Q4 2020. On a sector basis, Injection Molding and Film transactions accounted for a majority of the increase, as both sectors went up 11 and 6 deals, respectively. Approximately 54% of Global Plastics deals in January 2021 were domestic transactions, a 17% increase year-over-year as a percentage of total mix.

Global Packaging M&A activity in January 2021 remained elevated at 27 announced or closed transactions. The activity levels observed for private equity platform transactions was notable as they increased by 6 deals year-over-year, offset by declines of 4 and 3 deals for strategic and private equity add-on transactions, respectively. Flexible Packaging transactions also increased by 6 deals year-over-year, offset by minor declines in Rigid, Paper, and Other Packaging.

The impressive performance of the Plastics & Packaging M&A markets in January 2021 is a very encouraging indicator that both buyers and sellers are becoming increasingly comfortable executing transactions despite COVID-related challenges. Virtual platforms have allowed both parties to meaningfully engage in order to run diligence processes, perform negotiations, conduct integration planning and ultimately close transactions. We believe that one reason for the recent spike in deal activity is a resurgence in transactions that slowed down or were paused at the onset of the pandemic. While we can't confidently say that the impact of COVID on Plastics & Packaging M&A is over, we are encouraged by how resilient the plastics industry has been and remain cautiously optimistic heading into 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.

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Data as of January 31, 2021	Year-to-Date (YTD)		
	2020	2021	Change
<b>Plastics</b>			
Blow Molding	4	1	-3
Injection Molding	6	17	11
Film	3	9	6
Resin / Color & Compounding	5	5	0
Sheet & Thermoforming	0	1	1
Specialty	6	4	-2
<b>Total Plastics</b>	<b>24</b>	<b>37</b>	<b>13</b>
Strategic	54%	46%	-8%
Financial Buyer - Add-on	29%	24%	-5%
Financial Buyer - Platform	17%	30%	13%
<b>Packaging</b>			
Rigid Plastic	6	4	-2
Flexible Plastic	2	8	6
Paper	12	8	-4
Other	8	7	-1
<b>Total Packaging</b>	<b>28</b>	<b>27</b>	<b>-1</b>
Strategic	57%	44%	-13%
Financial Buyer - Add-on	29%	19%	-10%
Financial Buyer - Platform	14%	37%	23%

### Notable M&A Activity

Date	Acquirer	Target	Category
01/18/21	IPL Plastics Inc.	Tech II, Inc.	Closures
01/11/21	ProAmpac LLC	Rapid Action Packaging Limited	Flexible Packaging
01/11/21	SK Capital Partners	Lacerta Group LLC	Thermoforming
01/08/21	MGS Mfg. Group, Inc.	Formtechnik GmbH	Injection Molding
01/07/21	Marco Rubber & Plastics, LLC	Premiere Precision Components	Injection Molding
01/06/21	Altamont Capital Management LLC	The Specialized Packaging Group, Inc.	Corrugated Packaging
01/06/21	Ontario Teachers' Pension Plan Board; Ares Management Corporation (NYSE:ARES)	TricorBraun, Inc.	Distribution
01/06/21	Wynnchurch Capital LLC	Insulation Corp. of America	Foam
01/05/21	Mondi plc (LSE:MNDI)	Olmuksan (IBSE:OLMIP)	Corrugated Packaging
01/04/21	Avery Dennison Corporation (NYSE:AVY)	ACPO Ltd	Flexible Packaging

### Public Entity Performance

Index	% Change January YTD
S&P 500 Index	↓ -1.1%
PMCF Plastics & Packaging Index <sup>(1)</sup>	↓ -4.5%
Rigid Plastic Packaging <sup>(2)</sup>	↓ -5.2%
Flexible Plastic Packaging <sup>(3)</sup>	↓ -6.4%
Other Packaging <sup>(4)</sup>	↓ -4.4%
Paper Packaging <sup>(5)</sup>	↓ -0.8%

(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

### Major News

- U.S. Manufacturing Growth Continued Early in 2021 (*Wall Street Journal*)
- Plastics M&A bounces back in second half, outlook positive for 2021 (*Plastics News*)
- Vaccine supply challenges hamper national rollout (*Plastics News*)
- U.S. processors seeing growth, optimism for 2021, according to MAPP survey (*Plastics News*)

# 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



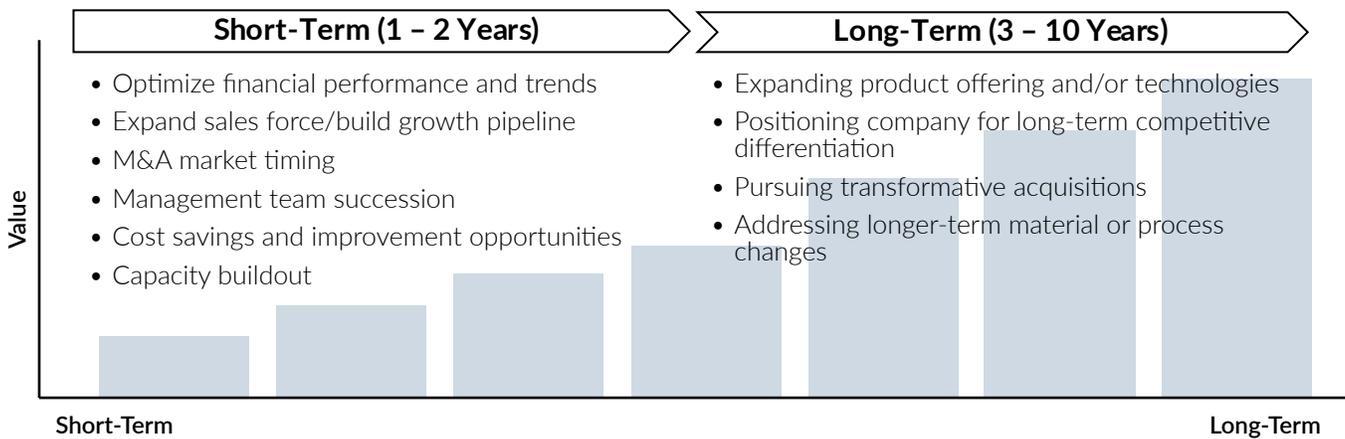
**Impact:**  
Valuation  
ROI  
Sale Timing



### 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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