

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

Plastics & Packaging M&A has started the year with high levels of activity, continuing the strong momentum we saw in Q4 2020. Check out PMCF's Plastics & Packaging year end reports for 2020 that were recently published to get a more in-depth discussion on last year's M&A activity.

M&A volume for Global Plastics recorded 28 transactions in February 2021, a 12% increase over last year. Year-to-date Global Plastics M&A has experienced a 33% increase over last year primarily led by increases in Injection Molding and Film activity, while Blow Molding and Resin / Color & Compounding transactions have remained flat. New platform investments by financial sponsors increased by 21% as a percentage of total deals over last year which is an encouraging sign for continued interest in the sector moving forward.

Global Packaging M&A activity in February 2021 remained relatively consistent at 25 deals which represents a 4% increase year-over-year. Sector mix shifted due to an increase in Rigid and Flexible Plastic which was offset by a decline in Paper transactions. Private equity deals involving both add-on and platform transactions increased by 15% as a percentage of total mix. On a year-to-date basis, total Global Packaging M&A activity is flat, which is consistent with high levels of activity seen in Q1 2020 prior to the onset of the COVID-19 pandemic.

At PMCF we continue to remain encouraged by the resiliency of Plastics & Packaging M&A and are cautiously optimistic on the outlook for 2021. Based on the deals we've seen or been involved with recently, transaction multiples are comparable to pre-COVID levels in most sectors within plastics and packaging. The fact that we are approaching pre-COVID levels of M&A activity is a clear indicator that buyers and management teams are increasingly more comfortable negotiating and closing transactions in the current environment. We expect that the continued roll-out of COVID-19 vaccinations will have a positive impact and further bolster appetite for M&A as macroeconomic conditions improve. Uncertainty regarding the timing and nature of the Biden-Harris Administration's tax proposals could also lead to more sellers exploring a transaction in the short-term.

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.

| Data as of February 28, 2021 | Month-to-Date (MTD) | | | Year-to-Date (YTD) | | |
|------------------------------|---------------------|-----------|----------|--------------------|-----------|-----------|
| Plastics | 2020 | 2021 | Change | 2020 | 2021 | Change |
| Blow Molding | 0 | 3 | 3 | 4 | 4 | 0 |
| Injection Molding | 7 | 7 | 0 | 13 | 24 | 11 |
| Film | 3 | 4 | 1 | 6 | 13 | 7 |
| Resin / Color & Compounding | 4 | 4 | 0 | 9 | 9 | 0 |
| Sheet & Thermoforming | 1 | 1 | 0 | 1 | 2 | 1 |
| Specialty | 10 | 9 | -1 | 16 | 13 | -3 |
| Total Plastics | 25 | 28 | 3 | 49 | 65 | 16 |
| Strategic | 60% | 46% | -14% | 57% | 46% | -11% |
| Financial Buyer - Add-on | 32% | 25% | -7% | 31% | 25% | -6% |
| Financial Buyer - Platform | 8% | 29% | 21% | 12% | 29% | 17% |
| Packaging | 2020 | 2021 | Change | 2020 | 2021 | Change |
| Rigid Plastic | 3 | 6 | 3 | 9 | 10 | 1 |
| Flexible Plastic | 2 | 4 | 2 | 4 | 12 | 8 |
| Paper | 14 | 9 | -5 | 26 | 17 | -9 |
| Other | 5 | 6 | 1 | 13 | 13 | 0 |
| Total Packaging | 24 | 25 | 1 | 52 | 52 | 0 |
| Strategic | 71% | 56% | -15% | 63% | 50% | -13% |
| Financial Buyer - Add-on | 13% | 24% | 12% | 21% | 21% | 0% |
| Financial Buyer - Platform | 17% | 20% | 3% | 15% | 29% | 13% |

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

Notable M&A Activity

| Date | Acquirer | Target | Category |
|----------|---|--|--------------------------------|
| 02/26/21 | Santis Packaging AG | SwissPrimePack AG | Rigid Packaging |
| 02/26/21 | Ontario Teachers' Pension Plan Board | Logoplaste Consultores Técnicos, S.A. | Blow Molding / Rigid Packaging |
| 02/22/21 | Mill Rock Capital Management LP | All Packaging Co. | Folding Cartons |
| 02/22/21 | Duravant | Votech | Machinery/Equipment |
| 02/16/21 | Arsenal Capital Management LP; Revolution Bag LLC | Jadcore LLC | Recycling, Flexible Packaging |
| 02/12/21 | Mayr-Melnhof Karton AG (WBAG:MMK) | International Paper - Kwidzyn Pulp & Paper Mill | Corrugated |
| 02/08/21 | Tank Holding Corp. | Dura-Cast Products, Inc. | Rotomolding |
| 02/05/21 | Peak Rock Capital LLC | A.M.B. SpA | Flexible Packaging |
| 02/03/21 | Kemeera, Inc. | Summit Tooling, Inc./Summit Plastics, Inc. | Tooling, Injection Molding |
| 02/02/21 | ProMach Inc. | "Food Machinery Sales, Inc. / Serpa Packaging Solutions" | Machinery/Equipment |

Public Entity Performance

| Index | % Change February MTD | | % Change February YTD | |
|--|-----------------------|-------|-----------------------|-------|
| S&P 500 Index | ↑ | 2.6% | ↑ | 1.5% |
| PMCF Plastics & Packaging Index ⁽¹⁾ | ↑ | 5.7% | ↑ | 1.0% |
| Rigid Plastic Packaging ⁽²⁾ | ↑ | 3.8% | ↓ | -1.6% |
| Flexible Plastic Packaging ⁽³⁾ | ↓ | -1.3% | ↓ | -7.7% |
| Other Packaging ⁽⁴⁾ | ↑ | 7.1% | ↑ | 2.4% |
| Paper Packaging ⁽⁵⁾ | ↑ | 1.3% | ↑ | 0.6% |

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

Major News

- Cold snap, tight supplies send commodity resin prices up in February (*Plastics News*)
- Auto industry takes nylon prices for a ride (*Plastics News*)
- USDA, FDA see no evidence of Covid-19 transmission via food or packaging (*Packaging Gateway*)
- Consumer Demand Snaps Back. Factories Can't Keep Up (*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

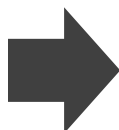
WORKING WITH PMCF

- 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



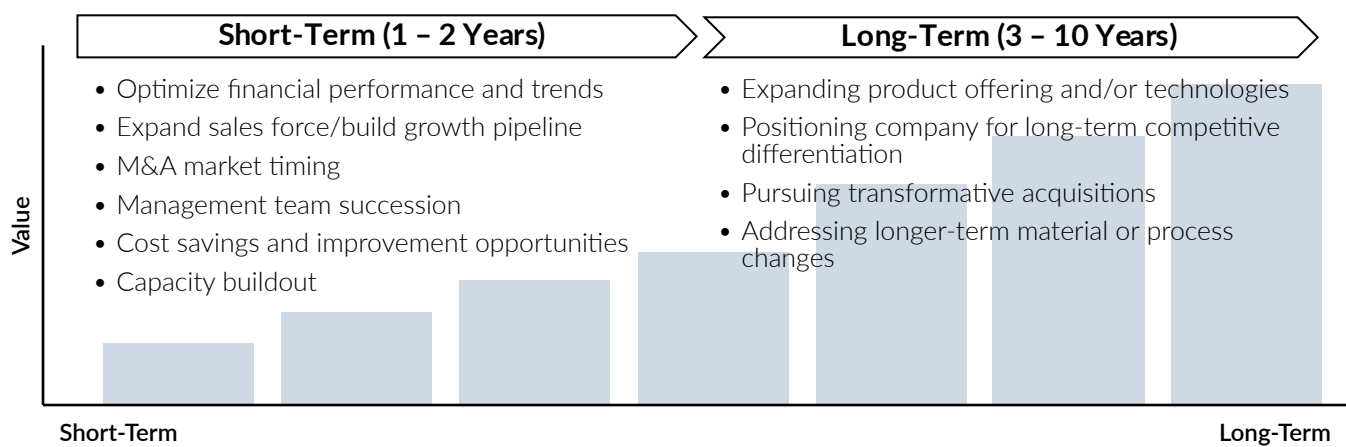
Impact:
Valuation
ROI
Sale Timing



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



RECYCLING & FLEXIBLE
PACKAGING



THERMOFORMED
PACKAGING



SPECIALTY EXTRUSION &
INJECTION MOLDING



INJECTION & BLOW
MOLDED PACKAGING



SPECIALTY PAPER &
LUXURY PACKAGING



THERMOFORMED PACKAGING,
FOLDING CARTONS



CORRUGATED
PACKAGING



CORRUGATED PACKAGING &
EQUIPMENT



Two-time winner, Boutique Investment Banking Firm of the Year
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Awarded, Cross Border Corporate and Strategic Acquisition of the Year
by M&A Advisor

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by M&A Advisor
Awarded, Deal of the Year
by ACG Detroit

Awarded, Manufacturing Deal of the Year
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