

## PMCF Industry M&A Activity Tracking

M&A volume for Global Plastics recorded 36 transactions in March 2021, a 50% increase over last year and not far off from the monthly peak for the sector. Strategic and private equity add-on buyers accounted for all the growth in transaction activity for the month while private equity platform transactions were equal to last year.

On a year-to-date basis, Global Plastics transactions are up 38% over last year and on track to exceed pre-COVID activity levels for the year. The total volume of 101 transactions for the first three months represents the highest level of quarterly activity recorded in the past six years. Most Global Plastics subsectors reported increases for year, but the outlier was Injection Molding, which has more than double the transaction volume compared to last year.

Global Packaging M&A activity also had a strong month, recording double the transaction volume compared to 2020 and the highest level of monthly activity so far this year. Transactions in the Flexible Plastic subsector are driving most of the growth on a year-to-date basis, rebounding from depressed levels experienced for the majority of 2020. Similar to Global Plastics, strategic and private equity add-on buyers were responsible for the majority of the growth in the sector during March while private equity increased its overall share of transaction volume from 40% to 50% on a year-to-date basis.

March's robust transaction volume and the results for the first quarter 2021 confirmed for us that M&A activity in both Plastics and Packaging sectors has recovered from the impact of COVID-19. We are not sure how the full year will end up but the current momentum in the M&A markets would signal the continuation of high levels of activity. In addition to strong M&A fundamentals, the potential for a significant change in capital gains taxes from the Biden-Harris Administration is prompting sellers to pursue a transaction sooner than they might of otherwise.

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 March 31, 2021	Month-to-Date (MTD)			Year-to-Date (YTD)		
Plastics	2020	2021	Change	2020	2021	Change
Blow Molding	2	2	0	6	6	0
Injection Molding	3	11	8	16	35	19
Film	3	7	4	18	20	2
Resin / Color & Compounding	6	4	-2	6	13	7
Sheet & Thermoforming	1	3	2	2	5	3
Specialty	9	9	0	25	22	-3
<b>Total Plastics</b>	<b>24</b>	<b>36</b>	<b>12</b>	<b>73</b>	<b>101</b>	<b>28</b>
Strategic	58%	56%	-3%	58%	50%	-8%
Financial Buyer - Add-on	21%	31%	10%	27%	27%	-1%
Financial Buyer - Platform	21%	14%	-7%	15%	24%	9%
Packaging	2020	2021	Change	2020	2021	Change
Rigid Plastic	6	5	-1	15	15	0
Flexible Plastic	2	5	3	6	17	11
Paper	6	15	9	32	32	0
Other	2	7	5	15	20	5
<b>Total Packaging</b>	<b>16</b>	<b>32</b>	<b>16</b>	<b>68</b>	<b>84</b>	<b>16</b>
Strategic	50%	47%	-3%	60%	49%	-11%
Financial Buyer - Add-on	25%	44%	19%	22%	30%	8%
Financial Buyer - Platform	25%	9%	-16%	18%	21%	4%

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

## Notable M&A Activity

Date	Acquirer	Target	Category
03/31/21	PACCOR Packaging GmbH	Miko Pac NV	Thermoforming
03/30/21	Blue Point Capital Partners, LLC / VRC Engineered Solutions	Cascadia Custom Molding	Injection Molding
03/21/21	Scholle IPN Corporation	Bossar Packaging SA	Machinery / Equipment
03/21/21	ProAmpac LLC	Brayford Plastics Ltd. / IG Industries PLC	Flexible Packaging
03/18/21	Callista Private Equity GmbH	Pleiger Thermoplast GmbH & Co. KG	Injection Molding
03/16/21	Wellspring Capital Management LLC	Rohrer Corp.	Thermoforming
03/09/21	TricorBraun, Inc.	Roda Packaging Inc.	Packaging Distribution
03/04/21	Coveris Management GmbH	Initial Packaging Solutions Ltd.	Flexible Packaging
03/04/21	Berlin Packaging L.L.C.	Roma International P.L.C.	Packaging Distribution / Blow Molding
03/02/21	PreZero US, Inc.	Roplast Industries LLC	Flexible Packaging

## Public Entity Performance

Index	% Change March MTD		% Change March YTD	
S&P 500 Index	↑	4.2%	↑	5.8%
PMCF Plastics & Packaging Index <sup>(1)</sup>	↑	4.2%	↑	5.2%
Rigid Plastic Packaging <sup>(2)</sup>	↑	9.3%	↑	7.6%
Flexible Plastic Packaging <sup>(3)</sup>	↑	6.5%	↓	-1.6%
Other Packaging <sup>(4)</sup>	↑	1.8%	↑	4.2%
Paper Packaging <sup>(5)</sup>	↑	7.2%	↑	7.8%

(1) AMC, ATR, AVY, BLL, BERY, CCLB, CLN, CMT, ESNT, FOE, HUH1V, ITR, 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

- Plastic pollution bill reintroduced by US lawmakers (*Packaging Gateway*)
- SBA extends, expands COVID-19 Loan Program (*Plastics News*)
- A March toward higher prices for commodity resins (*Plastics News*)
- Ship wedged in Suez Canal disrupts trade (*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

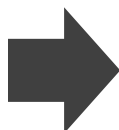
## WORKING WITH PMCF

- 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



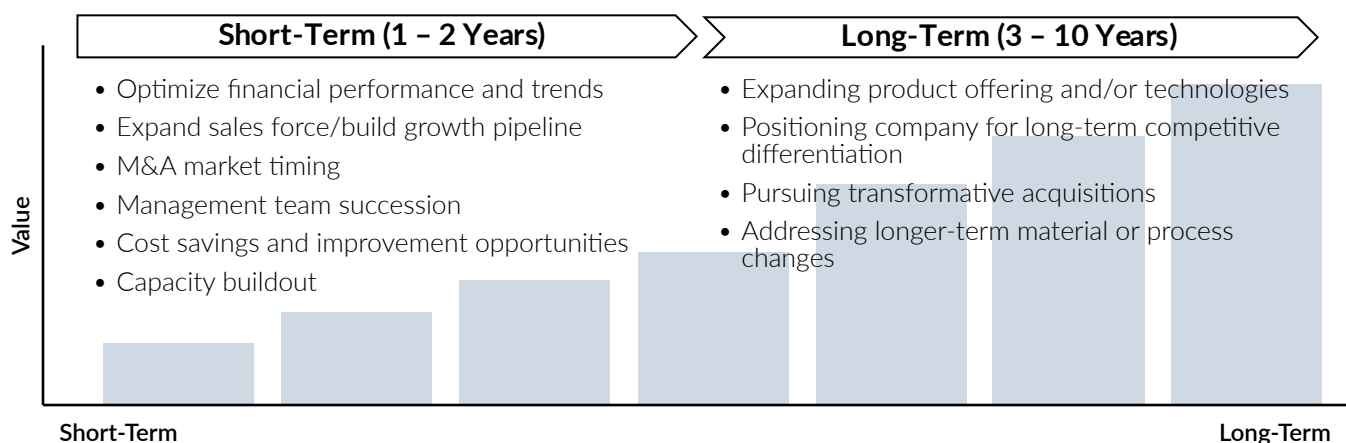
**Impact:**  
Valuation  
ROI  
Sale Timing



### 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](mailto: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



INJECTION MOLDING



RECYCLING & FLEXIBLE  
PACKAGING



THERMOFORMED  
PACKAGING



SPECIALTY EXTRUSION & INJECTION  
MOLDING



INJECTION & BLOW  
MOLDED PACKAGING



SPECIALTY PAPER &  
LUXURY PACKAGING



THERMOFORMED PACKAGING,  
FOLDING CARTONS



CORRUGATED PACKAGING



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

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