

PMCF Industry M&A Activity Tracking

M&A volume for Global Plastics recorded another strong month in April 2021 with 36 transactions and is on record pace for the year with 137 transactions. All sectors are higher than last year through April 2021 with Injection Molding, Film and Sheet & Thermoforming subsectors posting substantial increases. We found it particularly interesting that Injection Molding has already made up all of last year's decline in the first four months of the year. Private equity buyers accounted for 48% of the transactions for the month and 50% on a year-to-date basis, which is significantly higher than the historical average of ~43%. Private equity transactions in the plastics industry are on track to exceed pre-COVID levels by over 34% which we believe is partly attributable to pent up demand from the COVID slowdown in the middle of 2020.

Global Packaging M&A activity also registered a strong month with 29 transactions and is on pace to exceed pre-COVID levels by 17%. Plastic packaging transactions made up most of the increased activity for the year with flexible packaging transactions reporting almost 3 times last year's volume through April 2021. Paper packaging experienced particularly high levels of transaction activity for the month with 15 deals which puts the subsector up 34% for the year after being flat through March 2021. Private equity's share of transactions also increased in packaging and is now over 50% on a year-to-date basis compared to ~40% during the 3 years prior to COVID.

The continuation of high transaction volume in April 2021 coupled with feedback we've been receiving from buyers and sellers of plastics and packaging companies would indicate that we have moved from COVID recovery to the possibility of record transaction levels for the year. While private equity has been a major contributor, we also noticed a significant uptick in cross border activity which we will be covering in our midyear M&A reports. We can also confirm a flurry of deal activity stemming from concerns over the potential change in capital gains rates from the Biden-Harris Administration.

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 April 30, 2021	Month-to-Date (MTD)			Year-to-Date (YTD)		
Plastics	2020	2021	Change	2020	2021	Change
Blow Molding	0	2	2	6	8	2
Injection Molding	4	12	8	20	47	27
Film	1	6	5	10	26	16
Resin / Color & Compounding	2	5	3	17	18	1
Sheet & Thermoforming	0	3	3	2	8	6
Specialty	4	8	4	29	30	1
Total Plastics	11	36	25	84	137	53
Strategic	82%	53%	-29%	61%	50%	-10%
Financial Buyer - Add-on	9%	31%	21%	25%	28%	3%
Financial Buyer - Platform	9%	17%	8%	14%	22%	8%
Packaging	2020	2021	Change	2020	2021	Change
Rigid Plastic	1	6	5	16	21	5
Flexible Plastic	1	3	2	7	20	13
Paper	3	15	12	35	47	12
Other	2	5	3	17	25	8
Total Packaging	7	29	22	75	113	38
Strategic	86%	48%	-37%	63%	49%	-14%
Financial Buyer - Add-on	14%	34%	20%	21%	31%	10%
Financial Buyer - Platform	0%	17%	17%	16%	20%	4%

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

Notable M&A Activity

Date	Acquirer	Target	Category
04/27/21	Graphic Packaging Holding Company (NYSE:GPK)	Americraft Carton, Inc.	Folding Cartons
04/27/21	Brook & Whittle	Digital Label Solutions	Printing/Labels
04/23/21	Grimco	New Hampshire Plastics	Sheet Extrusion
04/19/21	ProAmpac LLC	El Dorado Packaging, Inc.	Paper Packaging
04/13/21	Apollo Global Management (NYSE:APO)	ABC Technologies Holdings Inc. (TSX:ABCT)	Automotive Plastics
04/13/21	Avon Group Manufacturing (Holdings) Ltd.	Edgewest Plastics (UK) Ltd.	Injection Molding
04/13/21	Rainier Partners	Calpine Containers, Inc.	Packaging Distribution
04/09/21	Tigre USA	Dura Plastic Products, Inc.	Extrusion
04/07/21	Alpha Packaging	Boxmore Plastics Limited	Rigid Packaging
04/05/21	Hood Container Corporation	Display and Packaging Business of Sonoco	Corrugated Packaging

Public Entity Performance

Index		% Change April MTD		% Change April YTD
S&P 500 Index	↑	5.2%	↑	11.3%
PMCF Plastics & Packaging Index ⁽¹⁾	↑	4.7%	↑	10.2%
Rigid Plastic Packaging ⁽²⁾	↑	4.0%	↑	11.8%
Flexible Plastic Packaging ⁽³⁾	↑	2.3%	↑	0.6%
Other Packaging ⁽⁴⁾	↑	10.4%	↑	15.0%
Paper Packaging ⁽⁵⁾	↑	6.8%	↑	15.1%

(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

- Plastics: Environmentally Friendly Before There Was Earth Day (*Plastics Today*)
- PE, PVC, PS resin prices continue to climb (*Plastics News*)
- New plastics industry standards released for equipment, robots (*Plastics News*)
- Recycling Isn't as Clear-Cut as You Might Think (*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

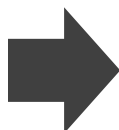
WORKING WITH PMCF

- 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



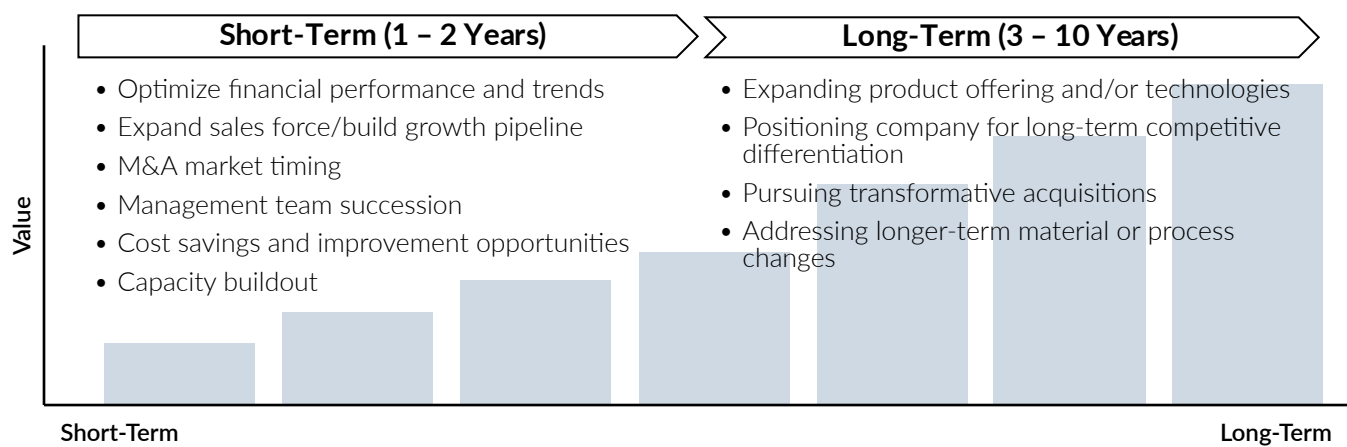
Impact:
Valuation
ROI
Sale Timing



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



PACKAGING DISTRIBUTION &
BLOW MOLDED PACKAGING



INJECTION MOLDING



RECYCLING & FLEXIBLE
PACKAGING



THERMOFORMED
PACKAGING



SPECIALTY EXTRUSION & INJECTION
MOLDING



INJECTION & BLOW
MOLDED PACKAGING



SPECIALTY PAPER &
LUXURY PACKAGING



THERMOFORMED PACKAGING,
FOLDING CARTONS



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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