

PMCF Industry M&A Activity Tracking

For June 2021, M&A volume for Global Plastics repeated last month's record volume with 40 transactions, exceeding last year's total by 12 transactions, or 43%. Transactions for the month were led by private equity add-ons which accounted for 35% of the volume. Overall, private equity transactions in plastics are up significantly over last year and are a major contributor to the record pace of plastics M&A transactions completed in the first half of the year.

Film, which includes flexible packaging, continued its strong rebound of transaction activity, recording 9 transactions for the month and 41 transactions for the first half of the year. This subsector was down prior to COVID and didn't start its recovery until late 2020. All other subsectors are reporting increases over last year through June 2020 with Injection Molding leading the way with growth of 35 transactions.

Global Packaging M&A activity recorded its highest month of the year with 36 transactions, almost 3x last year's levels and 33% higher than May 2021. Paper packaging led all packaging subsectors through June with 13 transactions and continues to be the most active subsector with 75 transactions through the first half of 2021. Plastic packaging volume has also been strong due primarily to high levels of flexible packaging transaction activity, which accounted for over 50% of the plastic packaging transactions for the year. Private equity has also been highly active in packaging with add-on transactions matching strategic buyers deal closings in June 2021. For the first half of the year, private equity has increased its share of packaging transaction closings from 36% to 51%.

Overall, another strong month of M&A activity for both the Plastics and Packaging sectors. Given the level of M&A activity currently in process, we expect monthly transaction levels to remain high through the remainder 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.

Data as of June 30, 2021	Month-to-Date (MTD)			Year-to-Date (YTD)		
	2020	2021	Change	2020	2021	Change
Plastics	28	40	12	118	217	99
Blow Molding	1	1	0	9	13	4
Injection Molding	11	11	0	32	67	35
Film	1	9	8	11	41	30
Resin / Color & Compounding	5	9	4	23	36	13
Sheet & Thermoforming	4	1	-3	6	12	6
Specialty	6	9	3	37	48	11
Total Plastics	28	40	12	118	217	99
Strategic	54%	50%	-4%	60%	53%	-7%
Financial Buyer - Add-on	25%	35%	10%	25%	28%	3%
Financial Buyer - Platform	21%	15%	-6%	15%	19%	4%
Packaging	13	36	23	101	176	75
Rigid Plastic	6	5	-1	24	30	6
Flexible Plastic	1	8	7	8	32	24
Paper	5	13	8	49	75	26
Other	1	10	9	20	39	19
Total Packaging	13	36	23	101	176	75
Strategic	69%	39%	-30%	64%	49%	-15%
Financial Buyer - Add-on	15%	39%	24%	21%	31%	10%
Financial Buyer - Platform	15%	22%	7%	15%	20%	5%

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

Notable M&A Activity

Date	Acquirer	Target	Category
06/30/21	Kelso & Company	Container Supply, Inc.	Packaging Distribution
06/30/21	Tekni-Plex, Inc.	Grupo Phoenix	Rigid Packaging
06/29/21	Minnesota Rubber and Plastics	Pawling Engineered Products Inc.	Extrusion
06/28/21	Chroma Color Corporation	Color Resource, LLC	Color & Compounding
06/24/21	LongueVue Capital	Traco Manufacturing, Inc.	Flexible Packaging
06/23/21	HDT Automotive Solutions	Veritas AG	Automotive Plastics
06/22/21	Berlin Packaging	Elias Valavanis SA	Packaging Distribution
06/15/21	Spectrum Plastics Group	KCS Plastics	Flexible Packaging
06/10/21	Soteria Flexibles Corp.	Redi-Bag, Inc.	Flexible Packaging
06/01/21	Nexeo Plastics	Nevicolor S.p.A	Color & Compounding

Public Entity Performance

Index	% Change June MTD	% Change June YTD
S&P 500 Index	↑ 2.3%	↑ 14.4%
PMCF Plastics & Packaging Index ⁽¹⁾	↓ -6.1%	↑ 7.4%
Rigid Plastic Packaging ⁽²⁾	↓ -3.6%	↑ 10.3%
Flexible Plastic Packaging ⁽³⁾	↓ -2.0%	↑ 2.8%
Other Packaging ⁽⁴⁾	↓ -3.0%	↑ 7.4%
Paper Packaging ⁽⁵⁾	↓ -4.6%	↑ 14.8%

(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

- PP Resin Prices Rising with the Summer Heat (Plastics News)
- Outlook 'Very Bullish' for Mold Builders Amid Challenges (Plastics News)
- Plastics Machinery Shipments: Typical Slower First Quarter but Poised for Growth (Plastics Industry Association)
- Novel New Developments in Paper Packaging (Packaging Digest)

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



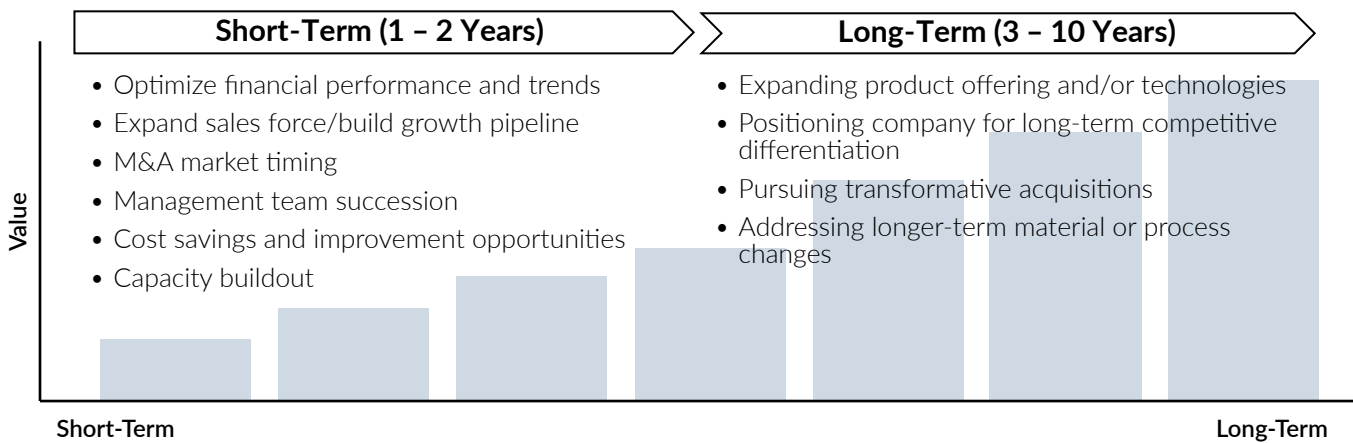
Impact:
Valuation
ROI
Sale Timing



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



has been acquired by



PACKAGING DISTRIBUTION & BLOW MOLDED PACKAGING



has been acquired by



a portfolio company of



INJECTION MOLDING



a portfolio company of



has been acquired by



a portfolio company of



RECYCLING & FLEXIBLE PACKAGING



has been acquired by



a portfolio company of



THERMOFORMED PACKAGING



has completed a recapitalization with



SPECIALTY EXTRUSION & INJECTION MOLDING



has been acquired by



a portfolio company of



INJECTION & BLOW MOLDED PACKAGING



has been acquired by



a portfolio company of



SPECIALTY PAPER & LUXURY PACKAGING



has been acquired by



a portfolio company of



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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