

PMCF Industry M&A Activity Tracking

The Global Plastic M&A market continued to experience high levels of activity in August 2021, marking the fourth month in a row with 40 or more recorded transactions. Total transactions for the month equaled 40 deals which outpaced August 2020 by 54%, or 14 transactions. 2021 has seen active M&A participation from both strategic and financial buyers, which has put it on pace to see the most transactions in the past five years.

The Film subsector continued to see robust M&A activity in August, with 6 more transactions than August 2020 for a total of 8 deals. Film has rebounded from a down COVID year with growth over last year of 43 transactions, or over 300%. Injection Molding, which led subsectors with 10 transactions on the month, Resin, and Color & Compounding were other key contributors to growth, combined they accounted for 18 total transactions on the month. Interestingly, resin suppliers have experienced high transaction levels despite supply chain headwinds currently disrupting the subsector. Plastic subsectors have gained from increased private equity participation, with 61% of August transactions coming as a result of financial buyers. On the year, private equity buyers represent an 8% larger share of the volume mix compared to this same time last year.

August 2021 was a strong month for the Global Packaging M&A market as well with 27 total transactions in the month. All packaging subsectors increased over last year's levels, with Flexible Plastic leading the way and outpacing 2020 levels by 5 transactions. Paper Packaging improved on an already strong 2021, totaling 11 transactions in August compared to 8 last year. On the year, Paper Packaging has increased 58% which has been driven by increased private equity participation and demand for consolidation in the industry. In August, both private equity and strategic buyers were active in the Packaging M&A market. Notably, financial add-on transactions accounted for 48% of transactions, a 27% increase over August 2020 levels.

Another strong month of M&A activity in the Plastic & Packaging sectors bodes well for the rest of year, and should this pace continue Plastic and Packaging transaction levels will surpass previous record highs. 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 August 31, 2021	Month-to-Date (MTD)			Year-to-Date (YTD)		
	2020	2021	Change	2020	2021	Change
Plastics	2020	2021	Change	2020	2021	Change
Blow Molding	0	3	3	9	17	8
Injection Molding	11	10	-1	48	86	38
Film	2	8	6	14	57	43
Resin / Color & Compounding	6	8	2	36	48	12
Sheet & Thermoforming	2	5	3	10	28	18
Specialty	5	6	1	51	62	11
Total Plastics	26	40	14	168	298	130
Strategic	65%	40%	-25%	60%	52%	-8%
Financial Buyer - Add-on	19%	33%	13%	24%	27%	2%
Financial Buyer - Platform	15%	28%	12%	15%	21%	6%
Packaging	2020	2021	Change	2020	2021	Change
Rigid Plastic	5	7	2	34	41	7
Flexible Plastic	1	6	5	10	44	34
Paper	8	11	3	65	103	38
Other	5	3	-2	28	44	16
Total Packaging	19	27	8	137	232	95
Strategic	79%	30%	-49%	65%	47%	-18%
Financial Buyer - Add-on	21%	48%	27%	21%	33%	12%
Financial Buyer - Platform	0%	22%	22%	14%	20%	6%

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

Notable M&A Activity

Date	Acquirer	Target	Category
08/30/21	Revolution Plastics Holdings L.L.C.	Five Points Film, LLC	Film
08/24/21	Akoya Capital, LLC	Star Plastics, Inc.	Compounding
08/17/21	SupplyOne, Inc.	Wilheit Packaging, LLC	Packaging Distribution
08/10/21	Tekni-Plex, Inc.	M-Industries, LLC	Caps & Closures Components
08/10/21	Nautic Partners, LLC	Aurora Plastics, LLC	Color & Compounding
08/09/21	Novolex	Vegware Limited	Foodservice Packaging
08/04/21	Plastic Components, Inc.	Sports Molding, LLC.	Injection Molding
08/03/21	C-P Flexible Packaging, Inc.	Prestige-Pak, Inc.	Flexographic Printing
08/03/21	Westlake Chemical Corporation	Dimex LLC	Compounding & Extrusion
08/03/21	Sole Source Capital LLC	I.D. Images LLC	Printing & Labeling

Public Entity Performance

Index	% Change August MTD	% Change August YTD
S&P 500 Index	↑ 2.9%	↑ 20.4%
PMCF Plastics & Packaging Index ⁽¹⁾	↑ 5.4%	↑ 12.0%
Rigid Plastic Packaging ⁽²⁾	↑ 7.1%	↑ 9.7%
Flexible Plastic Packaging ⁽³⁾	↑ 2.2%	↑ 12.5%
Other Packaging ⁽⁴⁾	↑ 10.2%	↑ 17.4%
Paper Packaging ⁽⁵⁾	↑ 3.7%	↑ 18.9%

(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 (5) CAS, SMDS, GPK, GEF, IP, MNDI, PKG, SK3, WRK

Major News

- Prices Heat Up for Virgin Resin in August, with Recycled Material Prices Joining the Rise (Plastics News)
- Pandemic-driven Push for US-made PPE May Fade (Plastics News)
- More Suppliers, Jobs for Resin Distributors in 2021 (Plastics News)
- 8 Packaging Trends Shaping the E-Commerce Landscape (Packaging World)

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



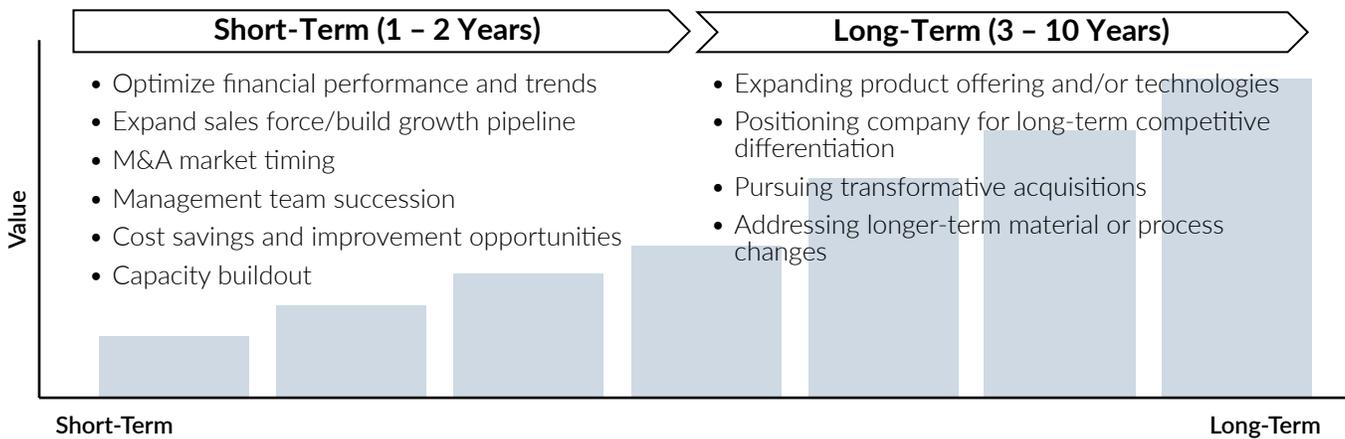
Impact:
Valuation
ROI
Sale Timing



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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