

PLASTICS M&A UPDATE

JUNE 2022

Plastics Industry M&A Activity Tracking

Global Plastics M&A increased for the second consecutive month in June, however, month-to-date and year-to-date activity are still below elevated levels seen in 2021. 33 transactions were recorded in the month, which is up 2 transactions from May levels. Looking back at the first half of the year, Q2 volumes were lower than Q1 levels by 24 transactions as Q1 likely benefited from 2021 carryover transactions. Despite a dip in Q2 activity, 2022 transaction volumes remain strong as even annualized Q2 activity would still surpass 2018 and 2019 levels.

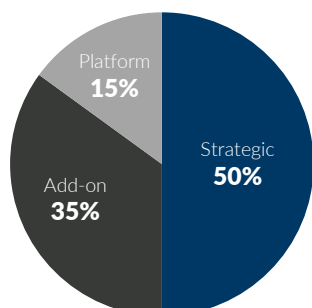
PLASTICS M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2021	2022	Change	2021	2022	Change
Blow Molding	1	2	1	13	10	-3
Injection Molding	11	7	-4	67	46	-21
Film	9	6	-3	41	36	-5
Resin / Color & Compounding	9	2	-7	36	20	-16
Sheet & Thermoforming	1	2	1	12	17	5
Specialty	9	14	5	48	75	27
Total Plastics	40	33	-7	217	204	-13
Strategic	50%	48%	-2%	53%	53%	0%
Financial Buyer - Add-on	35%	39%	4%	28%	30%	3%
Financial Buyer - Platform	15%	12%	-3%	19%	17%	-2%

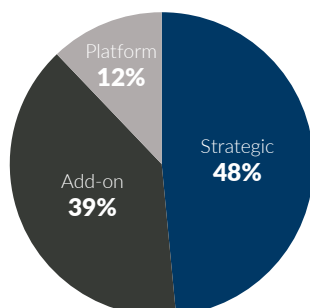
- Strategic deal activity made up 53% of the total transaction volume in H1 2022, which is on par with H1 2021. Additionally, private equity add-on transactions increased to 30% of total deal activity, up 3% over the same period in 2021
- Private equity add-on activity rebounded in June, accounting for 13 deals in the month, which is up 10 deals over May. Platform transactions slightly decreased in the month; platform private equity deals accounted for 4 deals in June, down from 9 in May
- Film transactions picked back up in June, accounting for 6 deals, or 18% of the deal volume, after only recording 3 deals in May
- The Blow Molding subsector recorded 2 transactions equaling its activity from the past 3 months and doubling May levels; transaction volumes in this subsector are slightly below 2021 levels through the first half of the year

PLASTICS TRANSACTIONS BY BUYER TYPE

2021 MTD



2022 MTD



TOTAL PLASTICS M&A BY END MARKET

End Market	Month-to-Date		Year-to-Date	
	2021	2022	2021	2022
Food & Beverage	9	2	39	25
Industrial	14	12	78	95
Consumer	7	6	28	23
Construction	2	7	13	22
Medical	2	4	17	22
Automotive / Transportation	6	2	42	17
Total	40	33	217	204

Through H1 2022, Global Plastics M&A remains on pace to have a very strong year in 2022. Year-to-date volume sits at 204 transactions which is 13 less deals than H1 2021, but 35 more deals than H1 2019. Importantly, domestic deal activity remains robust with year-to-date volume levels exceeding even 2021 levels. If you are a plastics 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.

Public Entity Performance

Plastic Public Entities declined in June, with each Index falling in the month-to-date period. The Plastic Fabricating Index posted the smallest pull-back in June, recording a decline of 3.8%. When compared to the S&P 500, which fell by 8.4% in the month, public plastics companies are performing in line with the market

Index		% Change June MTD		% Change June YTD
S&P 500 Index	↓	-8.4%	↓	-20.6%
PMCF Plastics Index ⁽¹⁾	↓	-9.1%	↓	-12.5%
Resin and Color & Compounding ⁽²⁾	↓	-15.4%	↓	-12.2%
Plastic Packaging ⁽³⁾	↓	-7.4%	↓	-16.4%
Plastic Fabricating ⁽⁴⁾	↓	-3.8%	↓	-7.2%

(1) ABCT, CMT, PRLB, ARCW, UFAB, MYE, DOW, WLK, TSE, AVNT, DNMR, ITP, SOLB, LYB, FOE, ATR, SON, SLGN, BERY, AMC, SEE, TCLA, WPK, NPK, HUHIV, PTVE, ESNT (2) DNMR, DOW, TSE, WLK, AVNT, ITP, SOLB, LYB, FOE (3) ATR, SON, SLGN, NPK, BERY, AMC, HUHIV, SEE, TCLA, WPK, PTVE, ESNT (4) ABCT, CMT, PRLB, ARCW, UFAB, MYE

Major News

- Supply Chain 'Scramble' Likely to Continue into 2023 (Plastics News)
- Fed Raises Rates By 0.75 Percentage Point, Largest Increase Since 1994 (Wall Street Journal)
- California Passes Strictest Plastics Law in US, with ERP & Recycling Targets (Plastics News)
- U.S. Added 372,000 Jobs in June (Wall Street Journal)
- U.S. Plastics Industry Will See Above-average Growth in 2022 (Plastics News)

Notable M&A Activity

Date	Acquirer	Target	Category
06/28/22	Ara Partners	Petainer Ltd.	Blow Molding
06/27/22	Akoya Capital LLC	WePackItAll, Inc.	Flexible Packaging
06/23/22	Intermediate Capital Group plc (LSE:ICP)	Seaway Plastics Engineering LLC	Injection Molding
06/22/22	Atkore Inc. (NYSE:ATKR)	United Poly Systems, LLC	Extrusion
06/21/22	Owens Corning Co. (NYSE:OC)	Natural Polymers LLC	Foam
06/07/22	Plaskolite, LLC	MXL Industries, Inc.	Injection Molding
06/03/22	Davies Molding, LLC	Euro American Plastics, Inc.	Injection Molding
06/03/22	Sinclair & Rush, Inc.	Indepak, Inc.	Thermoforming
06/01/22	Precision Concepts International LLC (aka IntraPac International)	C&G Packaging, LLC	Blow Molding
06/01/22	GEON Performance Solutions	Cary Compounds, LLC	Color & Compounding

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

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

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

Please let us know if you would like to set up a confidential call or meeting to discuss transaction planning and execution. You can reach John Hart, who leads PMCF's Plastics & Packaging Group at:
(248) 223-3468 or john.hart@pmcf.com

Recent PMCF Plastics & Packaging Transactions

 has been acquired by an affiliate of  a portfolio company of 	 has been acquired by 	 has been acquired by  a portfolio company of 	 a portfolio company of  has been acquired by  BELIEVE IN BETTER PLASTICS a portfolio company of 	THERMOFORMING	PACKAGING DISTRIBUTION & BLOW MOLDED PACKAGING	INJECTION MOLDING	RECYCLING & FLEXIBLE PACKAGING
 has been acquired by  a portfolio company of THE JORDAN COMPANY	 has completed a recapitalization with 	 has been acquired by  a portfolio company of 	 has been acquired by  a portfolio company of 	THERMOFORMED PACKAGING	SPECIALTY EXTRUSION & INJECTION MOLDING	INJECTION & BLOW MOLDED PACKAGING	THERMOFORMED 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
Awarded, Plastic and Packaging Deal of the Year in 2020 and 2021 by the Global M&A Network

Awarded, Industrials M&A Investment Bank of the Year by the Global M&A Network

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