

PLASTICS M&A UPDATE

FEBRUARY 2023

Plastics Industry M&A Activity Tracking

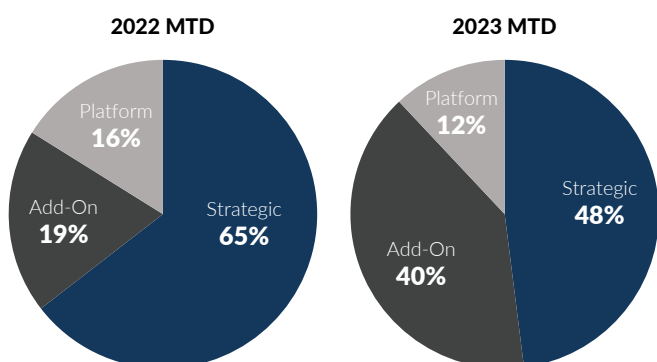
Global Plastics M&A recorded 25 deals in February, down from 31 last year and below the strong start recorded in January. Deals in the month were driven by active strategic buyers, which reported a notable increase from last month. Private equity add-on deals continued to report elevated levels of activity due, in part, to the high level of investment by private equity in the plastics industry over the last few years. New private equity platform activity, however, reverted to lower levels experienced in the 2nd half of 2022, after a strong start in January.

PLASTICS M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2022	2023	Change	2022	2023	Change
Blow Molding	2	1	-1	6	2	-4
Injection Molding	7	6	-1	17	12	-5
Film	7	2	-5	15	6	-9
Resin / Color & Compounding	3	3	0	7	7	0
Sheet & Thermoforming	1	1	0	5	4	-1
Specialty	11	12	1	28	26	-2
Total Plastics	31	25	-6	78	57	-21
Strategic	65%	48%	-17%	47%	37%	-11%
Financial Buyer - Add-on	19%	40%	21%	35%	42%	7%
Financial Buyer - Platform	16%	12%	-4%	18%	21%	3%

- Strategic buyers were highly acquisitive in the month, accounting for 12 transactions, or 48% of the total deal volume in the month, and up from nine transactions recorded in January
- The majority of the decline in transaction volume levels from last month can be attributed to lower private equity platform transactions, which decreased from 9 deals in January to 3 deals in February
- Injection molding transactions recorded 6 deals for the second consecutive month, which is slightly below the trailing 12-month average of 7 deals
- Specialty Plastic transactions which include foam, extrusion, distribution, and other sectors, recorded 12 deals in February, up from 11 deals last year
- Color & Compounding transactions are off to a strong start in 2023, matching last year's transaction activity and 50% higher than the trailing 12-month average of 2 deals

PLASTICS TRANSACTIONS BY BUYER TYPE



TOTAL PLASTICS M&A BY END MARKET

End Market	Month-to-Date		Year-to-Date	
	2022	2023	2022	2023
Food & Beverage	7	4	11	4
Industrial	15	15	32	35
Consumer	1	5	6	12
Construction	4	0	9	1
Medical	3	1	10	5
Automotive / Transportation	1	0	10	0
Total	31	25	78	57

Despite continued challenges with acquisition financing and macroeconomic uncertainty, the Global Plastics M&A market has shown resilience so far in 2023. Transaction volumes have rebounded from subpar fourth quarter activity levels and appear to be on track to continue at higher levels in the near term. If you are a plastics company considering a merger, acquisition, sale, or recapitalization in the short or long term, please consider leveraging PMCF's transaction planning and execution expertise to best position your company in a transaction.

Public Entity Performance

Public plastic companies turned bearish in February, with each of the tracked indices declining in the month. With that being said, three of the four tracked indices outperformed the S&P 500. The Resin and Color & Compounding Index has had a great start to the year, posting a 19.2% gain

Index		% Change February MTD		% Change February YTD
S&P 500 Index	↓	-2.6%	↑	3.4%
PMCF Plastics Index ⁽¹⁾	↓	-3.5%	↑	6.5%
Resin and Color & Compounding ⁽²⁾	↓	-0.5%	↑	19.2%
Plastic Packaging ⁽³⁾	↓	-3.4%	↓	-2.0%
Plastic Fabricating ⁽⁴⁾	↓	-7.3%	↑	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, HUH1V, PTVE, ESNT ⁽²⁾ DNMR, DOW, TSE, WLK, AVNT, ITP, SOLB, LYB, FOE ⁽³⁾ ATR, SON, SLGN, NPK, BERY, AMC, HUH1V, SEE, TCLA, WPK, PTVE, ESNT ⁽⁴⁾ ABCT, CMT, PRLB, ARCW, UFAB, MYE

Major News

- Commodity Resin Prices on the Rise at the Start of 2023 (Plastics News)
- Economic Data is Full of Drama. What Does that Mean for Plastics (Plastics News)
- Efforts Underway to Expand PET Thermoforming Recycling (Plastics News)
- Economy Showing Strength in Early 2023 After Last Quarter's GDP Gain Revised Modestly Lower (The Wall Street Journal)
- Fed's Barkin Supports Measured Pace of Interest-Rate Increases (The Wall Street Journal)

Notable M&A Activity

Date	Acquirer	Target	Category
02/28/23	Viridor Limited	Quantafuel ASA (OB:QFUEL)	Recycling
02/24/23	Taro Plast SpA	Delta Polymers	Color & Compounding
02/20/23	Hill & Smith PLC (LSE:HILS)	Enduro Composites	Composites
02/14/23	SyBridge Technologies	Cavaform, Inc.	Injection Molding
02/13/23	Shore Capital Partners, LLC	Container Services, Inc.	Bottles
02/08/23	Vivify Specialty Ingredients	Reitech Corporation	Color & Compounding
02/02/23	Preformed Line Products Company (NasdaqGS:PLPC)	Pilot Plastics, Inc.	Injection Molding
02/01/23	TriMas Corporation (NasdaqGS:TRS)	Aarts Packaging B.V.	Injection Molding
02/01/23	Produce Packaging Ltd	Innavisions Limited	Injection Molding
02/01/23	PPC Flexible Packaging LLC	StePac L.A. Ltd.	Flexible Packaging

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

ENVIRO PLAS INC.
ENGINEERING RESIN SOLUTIONS

has completed its merger with

AURORA PLASTICS

a portfolio company of

NAUTIC

COMPOUNDING

ALLIED PLASTICS, INC.

has been acquired by an affiliate of

ALL-STATE INDUSTRIES

a portfolio company of

Blue Sage Capital

THERMOFORMING

C.L. Smith

has been acquired by

KELSO

PACKAGING DISTRIBUTION & BLOW MOLDED PACKAGING

CASCADIA CUSTOM MOLDING

has been acquired by

VRC Engineered Solutions

a portfolio company of

BLUEPOINT Capital Partners

INJECTION MOLDING

JADCORE

a portfolio company of

STONEHENGE PARTNERS

has been acquired by

Revolution
BELIEVE IN BETTER PLASTICS

a portfolio company of

ARSENAL CAPITAL PARTNERS

RECYCLING & FLEXIBLE PACKAGING

PANORAMIC

has been acquired by

ANCHOR PACKAGING

a portfolio company of

THE JORDAN COMPANY

THERMOFORMED PACKAGING

Teel PLASTICS, INC.

has completed a recapitalization with

MPE PARTNERS

SPECIALTY EXTRUSION & INJECTION MOLDING

OLCOTT PLASTICS
MANUFACTURER OF PLASTIC JARS & CLOSURES

has been acquired by

PRETIUM
PACKAGING IDEAS INTO YOUR SOLUTIONS

a portfolio company of

GENSTAR CAPITAL, LLC

INJECTION & BLOW MOLDED 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

Experienced Professionals. Trusted Advisors. Proven Results.

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