

PLASTICS M&A UPDATE

APRIL 2023

Plastics Industry M&A Activity Tracking

Global Plastics M&A recorded 27 deals in April, which was in line with March and February levels from a deal volume standpoint. Strategic buyers, which have been less active through the first few months of 2023, accounted for a majority of the transaction activity in the month. Financial buyer activity slowed in April as private equity acquisitions posted their lowest volumes of the year. While volumes through the first four months of 2023 remain lower than 2022 levels, the Global Plastics M&A market has experienced relative consistency on a monthly basis.

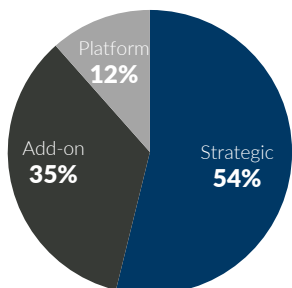
PLASTICS M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2022	2023	Change	2022	2023	Change
Blow Molding	0	4	4	7	6	-1
Injection Molding	4	12	8	30	29	-1
Film	6	3	-3	27	12	-15
Resin / Color & Compounding	3	5	2	15	15	0
Sheet & Thermoforming	2	0	-2	11	8	-3
Specialty	11	3	-8	50	39	-11
Total Plastics	26	27	1	140	109	-31
Strategic	54%	63%	9%	51%	45%	-6%
Financial Buyer - Add-on	35%	22%	-12%	33%	35%	2%
Financial Buyer - Platform	12%	15%	3%	16%	20%	4%

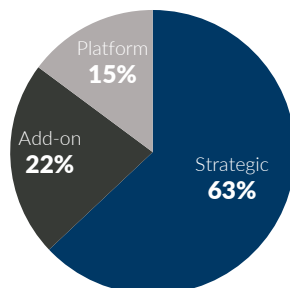
- Private equity platform transaction volume fell by two deals month-over-month and activity throughout the year has been inconsistent. Despite varying levels of activity, as a percent of overall deal volume, platform deals are above 2022 levels
- Strategic transactions increased by six deals month-over-month and posted their highest level of deal activity since September of last year. Notably, a majority of the strategic deals in the month were cross-border transactions or involved a foreign party
- Injection Molding led all plastics subsectors in deal volume, accounting for 44% of the transaction activity, and increased by seven deals month-over-month. April volumes were the highest they have been since July 2022
- Blow Molding posted four transactions in April, which doubled the subsector's year-to-date activity and marked a strong rebound after no deals were recorded in March

PLASTICS TRANSACTIONS BY BUYER TYPE

2022 MTD



2023 MTD



TOTAL PLASTICS M&A BY END MARKET

End Market	Month-to-Date		Year-to-Date	
	2022	2023	2022	2023
Food & Beverage	4	8	19	14
Industrial	13	15	68	64
Consumer	5	0	14	14
Construction	2	1	11	5
Medical	1	1	16	10
Automotive / Transportation	1	2	12	2
Total	26	27	140	109

Global Plastics M&A has been relatively consistent over the past few months but remains lower than 2022 levels. Macroeconomic factors showed some improvement in the month but there remains some uncertainty, which continues to impact Plastics M&A. The increase in strategic buyer activity in the month was a welcome sight after several months of lower transaction activity. 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 pulled back in April, with each of the tracked indices declining in the month. Despite the weak month for tracked plastic indices, two of the four have posted gains in the year-to-date period. Furthermore, the Resin and Color & Compounding index continues to outperform the market, gaining 17.5% in the year.

Index		% Change April MTD		% Change April YTD
S&P 500 Index	↑	1.5%	↑	8.6%
PMCF Plastics Index ⁽¹⁾	↓	-2.4%	↑	2.6%
Resin and Color & Compounding ⁽²⁾	↓	-3.6%	↑	17.5%
Plastic Packaging ⁽³⁾	↓	0.0%	↓	-5.1%
Plastic Fabricating ⁽⁴⁾	↓	-5.6%	↓	-0.4%

⁽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

- Manufacturers Optimistic Amid Challenges (Plastics News)
- Despite Global Oversupply, Polyethylene Prices Rise in March (Plastics News)
- California Debates 15% goal for Bioplastic Beverage Bottles (Plastics News)
- GDP Report Shows Economic Growth Slowed in First Quarter (The Wall Street Journal)
- IMF Says Banking Troubles Create Headwinds for Global Economy (The Wall Street Journal)

Notable M&A Activity

Date	Acquirer	Target	Category
04/28/23	LyondellBasell Industries Holdings (NYSE: LYB)	Quality Circular Polymers	Resin
04/25/23	Atlas Holdings LLC	US Farathane Corporation	Injection Molding
04/17/23	Semperit (WBO: SEM)	RICO Elastomere Projecting	Injection Molding, Silicone
04/11/23	Clayens NP Group	Parkway Products, LLC	Injection Molding
04/11/23	Teknor Apex	Nu-Pro Polymers	Color & Compounding
04/06/23	Constantia Flexibles Group GmbH	Lászlópack Kft.	Film
04/04/23	Hub Plastics, Inc.	Midwest Container And Industrial Supply Company	Blow Molding
04/03/23	Mill Point Capital LLC	Nursery Supplies, Inc.	Blow Molding

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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