

PLASTICS M&A UPDATE

MAY 2023

Plastics Industry M&A Activity Tracking

Global Plastics M&A recorded 35 deals in May, making it the most active month from a deal volume standpoint since March of last year. Both strategic and financial buyers contributed to the higher levels of M&A activity, accounting for a near-equal split of the overall deal volume. Over the past three months, deal volumes have trended in a positive direction as buyers have increased their activity in the space. Overall, 2023 activity has been more stable in comparison to Q4 2022, and increasing volumes signify an improvement in the Plastics M&A market.

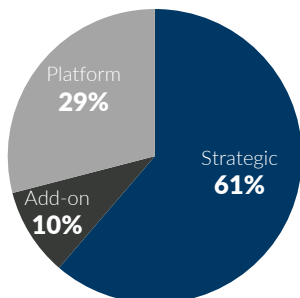
PLASTICS M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2022	2023	Change	2022	2023	Change
Blow Molding	1	0	-1	8	6	-2
Injection Molding	9	9	0	39	38	-1
Film	3	2	-1	30	14	-16
Resin / Color & Compounding	3	4	1	18	19	1
Sheet & Thermoforming	4	3	-1	15	11	-4
Specialty	11	17	6	61	56	-5
Total Plastics	31	35	4	171	144	-27
Strategic	61%	51%	-10%	53%	47%	-7%
Financial Buyer - Add-on	10%	34%	25%	29%	35%	6%
Financial Buyer - Platform	29%	14%	-15%	18%	19%	1%

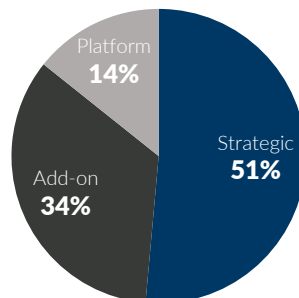
- Strategic buyer activity through May of 2023 has been lower than historical levels, however, this buyer group accounted for over 50% of deal volume for the second month in a row which was an encouraging sign for the Plastics M&A market
- Private equity add-on transactions rebounded after a soft April by doubling last month's volume. Notably, this group of buyers posted their most active month since January of this year, and continues to generate activity above historical levels
- Much of the elevated activity in May was due to a large increase in Specialty deals with a significant amount of composites and machinery deals being announced in the month; 17 of the 35 deals announced in the month could be attributed to Specialty transactions
- The Injection Molding subsector continues to experience high levels of deal volume in 2023, with activity through May of 2023 nearly matching the elevated levels seen in 2022

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	5	23	19
Industrial	15	19	83	83
Consumer	3	3	17	17
Construction	4	2	15	7
Medical	2	4	18	14
Automotive / Transportation	3	2	15	4
Total	31	35	171	144

Global Plastics M&A has shown positive momentum through May of 2023 after a lower second half of 2022. Volumes are below the elevated activity experienced in the first half of 2022, but are on pace to exceed pre-COVID M&A levels if current trends continue. From a buyer standpoint, strategics have been less active likely due to macroeconomic challenges while private equity add-ons have increased 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 yielded bearish results in May, with three of the four tracked indices declining. Despite the weak month for tracked Plastic indices, two of the four have posted gains in the year-to-date period. None of the tracked indices have outperformed the S&P 500, which has been bolstered by strong performances from technology companies

Index		% Change May MTD		% Change May YTD
S&P 500 Index	↑	0.3%	↑	8.9%
PMCF Plastics Index ⁽¹⁾	↓	-6.1%	↓	-4.8%
Resin and Color & Compounding ⁽²⁾	↓	-12.5%	↑	4.1%
Plastic Packaging ⁽³⁾	↓	-9.5%	↓	-13.8%
Plastic Fabricating ⁽⁴⁾	↑	7.6%	↑	1.2%

⁽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

- Global Plastics Recycling Market to Grow 50% by 2030, Report Says (Plastics News)
- PVC, PS Prices Take Opposite Paths in May (Plastics News)
- Value of Plastics Machinery Shipments Up From Start of 2022 (Plastics News)
- Inflation Eased in April but Remains Stubbornly High (The Wall Street Journal)
- Robust Hiring in April Shows U.S. Job Market Remains Hot in Cooling Economy (The Wall Street Journal)

Notable M&A Activity

Date	Acquirer	Target	Category
05/23/23	Aliaxis	Valencia Pipe Company	Extrusion
05/17/23	Biomerics	Precision Concepts Medical	Medical Plastics
05/15/23	Gelpac Inc	Standard Bag Manufacturing Company	Flexible Packaging
05/12/23	WHS Plastics Limited	XANDOR Automotive Ltd	Injection Molding
05/09/23	TotalEnergies SE (ENXTPA:TTE)	Iber Resinas SL	Resin
05/02/23	DuPont de Nemours, Inc. (NYSE:DD)	Spectrum Plastics Group, Inc.	Medical Plastics
05/02/23	SGG Group	SONOTRONIC Nagel GmbH	Machinery / Equipment
05/01/23	The Gund Company, Inc.	Vanderveer Industrial Plastics, Inc.	Machined Plastics

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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