

PLASTICS M&A UPDATE

JULY 2023

Plastics Industry M&A Activity Tracking

Global Plastics M&A recorded 26 deals in July, down one from June levels. Strategic buyers accounted for 12 deals in the month, which represented a decrease of five transactions month-over-month. An increase in platform private equity transactions and consistent add-on activity helped to balance out the lack of strategic activity in the month. Overall, the resilience of private equity buyers signals that investors remain confident in the space and continue to get deals done even in challenging credit markets.

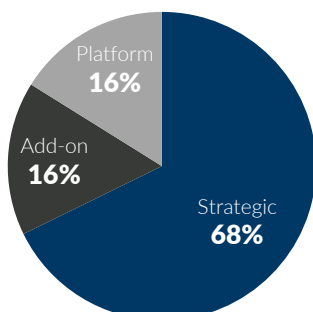
PLASTICS M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2022	2023	Change	2022	2023	Change
Blow Molding	2	1	-1	13	9	-4
Injection Molding	14	8	-6	60	52	-8
Film	2	4	2	39	21	-18
Resin / Color & Compounding	5	2	-3	25	24	-1
Sheet & Thermoforming	1	1	0	18	14	-4
Specialty	7	10	3	81	77	-4
Total Plastics	31	26	-5	236	197	-39
Strategic	68%	46%	-22%	55%	49%	-6%
Financial Buyer - Add-on	16%	23%	7%	28%	32%	4%
Financial Buyer - Platform	16%	31%	15%	17%	19%	2%

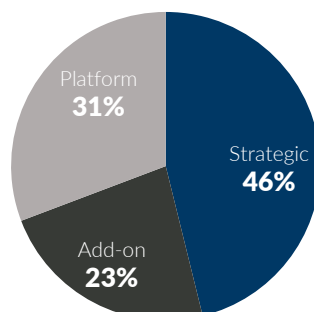
- Strategic buyer activity levels in July marked the third-lowest month of 2023 from a volume standpoint and a notable shift from Q2 levels when strategic buyers averaged 17 deals per month
- Financial buyers accounted for over 50% of the deal volume for the first time since March. Private equity transaction volume was driven by platform acquisitions, which accounted for eight deals and were responsible for 31% of the monthly deal activity
- Industrial transactions continue to drive deal volumes and accounted for over 50% of Global Plastics M&A activity for the sixth time this year
- The Injection Molding subsector recorded eight deals in the month, slightly above its year-to-date monthly average. Furthermore, the subsector is tracking near 2022 activity levels

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	2	2	27	24
Industrial	15	14	110	110
Consumer	5	5	29	23
Construction	1	1	23	11
Medical	4	3	26	24
Automotive / Transportation	4	1	21	5
Total	31	26	236	197

Global Plastics M&A posted a strong Q2 and started the third quarter positively due to elevated financial buyer activity. Although strategic buyer activity decreased month-over-month, year-to-date activity remains strong. PMCF will continue to monitor buyer trends as they evolve throughout the remainder of the year. 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.

Plastics M&A Update – July 2023

Public Entity Performance

Plastic public entities produced a bullish month in July, with each tracked index making gains. The Resin and Color & Compounding index has produced strong gains in July, posting an increase of 13.2%. Aside from the Resin and Color & Compounding index, all tracked indices have underperformed the S&P 500 in 2023.

Index		% Change July MTD		% Change July YTD
S&P 500 Index	↑	3.1%	↑	19.5%
PMCF Plastics Index ⁽¹⁾	↑	7.0%	↑	4.0%
Resin and Color & Compounding ⁽²⁾	↑	13.2%	↑	19.9%
Plastic Packaging ⁽³⁾	↑	2.7%	↓	-9.1%
Plastic Fabricating ⁽⁴⁾	↑	7.0%	↑	9.4%

⁽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

- House Republican EPA Budget Backs Chemical Recycling, Bioplastics, Reuse (Plastics News)
- Polystyrene, Nylon, Polycarbonate and ABS See Price Decreases (Plastics News)
- EPA Proposal to Cut Plastics, Chemical Plant Emissions Draws Intense Interest (Plastics News)
- How the U.S. Economy Is Sticking the Soft Landing (The Wall Street Journal)
- U.S. Economic Growth Accelerates, Defying Slowdown Expectations (The Wall Street Journal)

Notable M&A Activity

Date	Acquirer	Target	Category
07/31/23	One Rock Capital Partners, LLC	Constantia Flexibles Group GmbH	Film
07/31/23	Techmer PM LLC	Advanced Color Technologies LLC	Color & Compounding
07/27/23	SK Capital Partners	Ecopol S.p.A.	Film
07/25/23	Evantic	Plastic Distributors and Fabricators, Inc.	Machining
07/19/23	LyondellBasell Industries N.V. (NYSE:LYB)	Stiphout Industries B.V.	Recycling
07/18/23	Wolverine Capital Partners	Vital Plastics, Inc.	Injection Molding
07/14/23	TPG Inc. (NasdaqGS:TPG)	Samhwa P&T Co.,Ltd.	Rigid Packaging
07/05/23	Specialized Packaging Group, Inc.	Protective Packaging Solutions, LLC	Rigid 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

 has completed its merger with  a portfolio company of 	 has been acquired by an affiliate of  a portfolio company of 	 has been acquired by 	 has been acquired by  a portfolio company of 
COMPOUNDING	THERMOFORMING	PACKAGING DISTRIBUTION & BLOW MOLDED PACKAGING	INJECTION MOLDING
 a portfolio company of  has been acquired by  a portfolio company of 	 has been acquired by  a portfolio company of 	 has completed a recapitalization with 	 has been acquired by  a portfolio company of 
RECYCLING & FLEXIBLE PACKAGING	THERMOFORMED PACKAGING	SPECIALTY EXTRUSION & INJECTION MOLDING	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

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