

# PLASTICS M&A UPDATE

OCTOBER 2023

## Plastics Industry M&A Activity Tracking

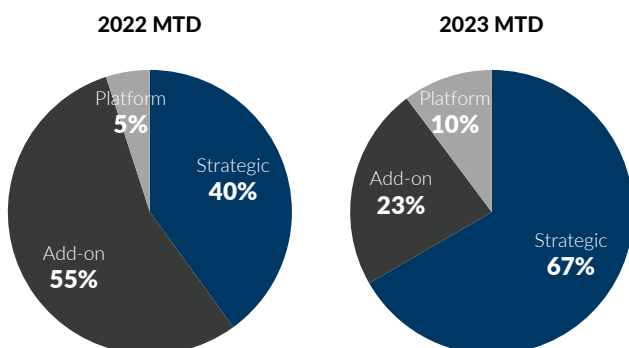
Global Plastics M&A recorded 39 deals in October, which was the highest level of monthly activity in 2023 and was the third consecutive month with over 30 deals announced. Transaction volumes were driven by strategic buyers, which recorded over 25 transactions for the first time since 2021. Private equity add-on buyers remained active, but platform transaction volumes fell after recording several months of increased deal activity. Overall, Global Plastics M&A activity has picked up over the last several months after a slow start to the year.

### PLASTICS M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2022	2023	Change	2022	2023	Change
Blow Molding	2	2	0	18	13	-5
Injection Molding	7	19	12	81	94	13
Film	3	6	3	52	37	-15
Resin / Color & Compounding	3	2	-1	39	31	-8
Sheet & Thermoforming	1	1	0	24	17	-7
Specialty	4	9	5	103	108	5
<b>Total Plastics</b>	<b>20</b>	<b>39</b>	<b>19</b>	<b>317</b>	<b>300</b>	<b>-17</b>
Strategic	40%	67%	27%	54%	50%	-4%
Financial Buyer - Add-on	55%	23%	-32%	29%	30%	1%
Financial Buyer - Platform	5%	10%	5%	17%	20%	3%

- Strategic buyer activity surged in October, with over 67% of the deals in the month attributable to strategic buyers. Comparatively, strategic buyers have only accounted for 51% of the year-to-date transaction volume
- Private equity add-on buyers remained active in October, posting nine deals for the second month in a row. Four platform deals were announced in the month, which marked an end to several months of above-average deal activity from platform buyers
- The Medical end market recorded a significant uptick in transaction activity, posting five deals and recording its third-highest month on record
- The Injection Molding, Film, and Specialty subsectors led all subsectors from a transaction volume standpoint and were key drivers in October being the most acquisitive month of 2023

### 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	0	7	33	40
Industrial	12	24	153	175
Consumer	3	1	36	29
Construction	3	1	33	15
Medical	2	5	35	32
Automotive / Transportation	0	1	27	9
<b>Total</b>	<b>20</b>	<b>39</b>	<b>317</b>	<b>300</b>

After a strong Q3 2023, the Global Plastics M&A market remained highly active in October. Elevated deal volumes in October were an encouraging sign for the sector, which had been down to start the year. Despite increased transaction activity over the past few months, the outlook for plastics M&A remains uncertain due to swings in activity levels amongst the different buyer types. 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 displayed bearish tendencies in October, with all four tracked indices generating losses in the month. The Plastic Fabricating index has performed the best of all tracked indices in the year-to-date period, generating a loss of ~1%. Furthermore, all indices have underperformed the S&P 500 in the month and the year-to-date period

Index		% Change October MTD		% Change October YTD
S&P 500 Index	↓	-2.2%	↑	9.2%
PMCF Plastics Index <sup>(1)</sup>	↓	-8.6%	↓	-12.7%
Resin and Color & Compounding <sup>(2)</sup>	↓	-12.7%	↓	-11.1%
Plastic Packaging <sup>(3)</sup>	↓	-5.9%	↓	-20.0%
Plastic Fabricating <sup>(4)</sup>	↓	-8.6%	↓	-0.9%

(1) ABCT, CMT, PRLB, ARCW, UFAB, MYE, DOW, WLK, TSE, AVNT, DNMR, ITP, SOLB, LYB, FOE, ATR, SON, SLGN, BERY, AMC, SEE, TCL.A, WPK, NPK, HUH1V, PTVE, ESNT (2) DNMR, DOW, TSE, WLK, AVNT, ITP, SOLB, LYB, FOE (3) ATR, SON, SLGN, NPK, BERY, AMC, HUH1V, SEE, TCL.A, WPK, PTVE, ESNT (4) ABCT, CMT, PRLB, ARCW, UFAB, MYE

## Major News

- The Improbably Strong Economy (The Wall Street Journal)
- Despite Economic Risks, Companies Are Hanging On to the Workers They Have (The Wall Street Journal)
- Plastics Still Recovering from Pandemic but Poised for Growth (Plastics News)
- International Buyers Bring Opportunities to Domestic Plastics Firms (Plastics News)
- Newsom Blocks Bill Aimed at Preventing 'Regrettable' Plastics Replacements (Plastics News)

## Notable M&A Activity

Date	Acquirer	Target	Category
10/31/23	AMETEK, Inc. (NYSE:AME)	Paragon Medical, Inc.	Injection Molding
10/24/23	St. Joseph Plastics	Plastic Recycling Inc.	Recycling
10/17/23	Monument MicroCap Partners	Sweet Tooth Enterprises	Injection Molding
10/11/23	Getinge AB (OM:GETI B)	Healthmark Industries Company, Inc.	Rigid Packaging
10/11/23	Plaskolite	Vycom Plastics	Sheet
10/02/23	Greif, Inc. (NYSE:GEF)	Reliance Products Ltd.	Rigid Packaging
10/02/23	MGS Manufacturing Group Inc.	Winther Mould Technology A/S	Tooling
10/01/23	Boyne Capital	Profusion Industries	Sheet

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

## Experienced Professionals. Trusted Advisors. Proven Results.

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