

PLASTICS M&A UPDATE

MAY 2024

Plastics Industry M&A Activity Tracking

Global Plastics M&A recorded its second most active month of the year in May, posting 32 deals, an increase of six over April levels and matching 2023 average monthly transaction volume. The uptick in activity was driven by increased demand from financial buyers who represented more than half of the deal volume and accounted for 17 deals, a month-over-month increase of seven transactions for this buyer group. Meanwhile, strategic buyers remained active, showing a modest decline of one deal compared to the prior month. Overall, May was a welcomed sign of increased activity as deal volumes had not risen above 30 transactions since January.

PLASTICS M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2023	2024	Change	2023	2024	Change
Blow Molding	0	0	0	6	3	-3
Injection Molding	10	10	0	43	41	-2
Film	2	6	4	14	21	7
Resin/Color & Compounding	4	4	0	19	17	-2
Sheet & Thermoforming	3	1	-2	11	11	0
Specialty	17	11	-6	56	56	0
Total	36	32	-4	149	149	0

PLASTICS M&A BY BUYER TYPE

Type	MTD	% of Total	YTD	% of Total
Strategic	15	47%	81	54%
Add-On (PE)	12	38%	47	32%
Platform (PE)	5	16%	21	14%

PLASTICS M&A BY GEOGRAPHY

Type	MTD	% of Total	YTD	% of Total
U.S.-to-U.S.	16	50%	56	38%
U.S.-to-Foreign	4	13%	15	10%
Foreign-to-U.S.	3	9%	13	9%
Foreign	9	28%	65	44%

- Strategic buyers tallied 15 transactions in May, representing 47% of monthly volume. This deal volume is slightly below the average monthly level observed in 2023 of 17
- Financial buyers reported a 70% month-over-month increase in volume relative to April, posting 17 deals. The surge in financial buyer performance was fueled by both add-on and platform transactions which outpaced prior month volumes by four and three, respectively
- Despite the rise in activity, the Industrial end market was the sole end market to increase in volume month-over-month. The Industrial market posted its highest transaction levels of the year in May and outpaced 2023 average monthly activity for this end market by four deals
- Domestic M&A activity spiked in May, accounting for 16 deals, or half of the monthly activity. This represents the largest quantity and share of deal volume for domestic activity since January 2023
- The Film subsector recorded six deals in May and displayed the largest rise in activity over April, doubling the prior month's volume. The subsector was responsible for 19% of the deal volume, its third-largest share of activity in the last 12 months

PLASTICS M&A BY END MARKET

End Market	MTD	%	YTD	%
Food & Beverage	3	9%	21	14%
Industrial	25	78%	103	69%
Consumer	2	6%	16	11%
Medical	2	6%	9	6%



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Industry Multiples and Trends

After experiencing declines in average EV/EBITDA multiples for the past 3 months, Plastic Packaging experienced a slight uptick to 8.9X. Resin and Color & Compounding and Plastic Fabricating both posted modest gains of 0.5X. Average EV/EBITDA multiples across the subsectors have narrowed, finishing the month between 8.0 and 8.9X.

Public Stock Performance

Plastics public entities displayed varied results in May with two of the three subsectors experiencing an increase in average value. Despite a double-digit increase in average value for Resin and Color & Compounding entities, performance remains sluggish in the year-to-date period with the Plastic Packaging subsector leading all others with just over two percent average growth.

Company Name	Stock Performance Year-to-Date	Stock Performance Month-to-Date	Enterprise Value / LTM ¹	
			Revenue	EBITDA
Resin and Color & Compounding				
Avient Corporation	7.5%	5.3%	1.83x	10.28x
Danimer Scientific, Inc.	-23.6%	4.0%	9.86x	NM
Dow Inc.	5.1%	1.3%	1.25x	8.08x
LyondellBasell Industries N.V.	4.6%	-0.6%	1.05x	8.30x
Solvay SA	21.3%	10.6%	0.93x	3.57x
Trinseo PLC	-54.2%	46.7%	0.65x	11.49x
Westlake Chemical Corporation	14.7%	9.0%	1.94x	11.60x
Mean	-3.5%	10.9%	2.50x	8.89x
Median	5.1%	5.3%	1.25x	9.29x
Plastic Packaging				
Amcor plc	5.5%	13.8%	1.60x	10.94x
Aptar Group, Inc.	19.5%	2.3%	3.04x	14.03x
Berry Global Group	-11.1%	5.7%	1.31x	8.22x
Essentra plc	-2.7%	-6.6%	1.71x	11.20x
Huhtamaki Oyj	1.1%	3.3%	1.27x	9.56x
Nampak Limited	-2.8%	1.1%	0.46x	9.43x
Pactiv Evergreen Inc.	-9.8%	-18.9%	1.13x	5.08x
Sealed Air Corporation	6.4%	23.5%	1.84x	8.92x
Silgan Holdings Inc.	4.4%	1.3%	1.46x	9.02x
Sonoco Products Company	9.8%	9.5%	1.39x	8.31x
Transcontinental Inc.	-0.1%	0.2%	0.73x	4.96x
Winpak Ltd.	6.7%	1.7%	1.41x	6.97x
Mean	2.2%	3.1%	1.45x	8.89x
Median	2.8%	2.0%	1.40x	8.97x
Plastic Fabricating				
Core Molding Technologies, Inc.	3.8%	6.8%	0.49x	4.08x
Proto Labs, Inc.	-20.5%	1.6%	1.34x	9.47x
Myers Industries, Inc.	-19.2%	-27.9%	1.24x	10.48x
Mean	-12.0%	-6.5%	1.02x	8.01x
Median	-19.2%	1.6%	1.24x	9.47x

¹LTM as of latest available financials

Sources: S&P Capital IQ, Company Websites, Pitchbook, Company Reports, PMCF

Notable M&A Activity

Date	Acquirer	Target	Category
05/28/24	Nordson Corp.	Atrion Corp.	Injection Molding
05/23/24	Gerresheimer Glas GmbH	Bormioli Pharma S.p.a.	Medical Plastics
05/21/24	The Specialized Packaging Group, Inc.	Clark Foam Products Corporation	Foam Packaging
05/13/24	NewCo Plastics, LLC	Magenta LLC	Injection Molding
05/03/24	CrossPoint Polymer Technologies	Jenerxx Inc. and Sustainable Resins	Resin
05/02/24	Breck Partners LLC	NPX One, LLC	Foam Packaging
05/02/24	Industrial Opportunity Partners	Transcendia	Flexible Plastic
05/02/24	Arkema (PAR: AKE)	Dow (Flexible Packaging Laminating Adhesives Business)	Flexible Plastic

Sources: S&P Capital IQ, Company Websites, Pitchbook, Company Reports, PMCF

Major News & Insights

- NPE 2024 Reports Record Number of Young Attendees, International Visitors (Plastics News)
- DuPont to Break Into Three Smaller Companies, Joining Other Storied Peers (The Wall Street Journal)
- Berry May Make Another \$1B in Divestitures to Tighten Focus (Plastics News)
- PE Prices on the Rise; Buyers 'Very Frustrated' (Plastics News)
- North American Shipments of Plastics Processing Equipment Dip in Q1 (Plastics Today)

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