

PLASTICS M&A UPDATE

June 2024

Plastics Industry M&A Activity Tracking

Global Plastics M&A recorded its second consecutive month with over 30 deals in June, which marked a strong close to the first half of 2024 for the sector. 180 transactions were recorded in the first half of the year, which outpaced the first half of 2023 by three deals and was driven by increased activity from strategic buyers. Despite the slight increase in H1 2024 relative to H1 2023, activity will need to increase substantially to match the 205 deals recorded in the second half of 2023. Overall, transaction activity has fallen from levels witnessed in the second half of last year as company performance has stagnated and interest rates remain elevated.

PLASTICS M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2023	2024	Change	2023	2024	Change
Blow Molding	2	0	-2	8	3	-5
Injection Molding	6	6	0	49	47	-2
Film	3	5	2	17	26	9
Resin/Color & Compounding	3	5	2	22	22	0
Sheet & Thermoforming	2	0	-2	13	11	-2
Specialty	12	15	3	68	71	3
Total	28	31	3	177	180	3

PLASTICS M&A BY BUYER TYPE

Type	MTD	% of Total	YTD	% of Total
Strategic	13	42%	94	52%
Add-On (PE)	5	16%	52	29%
Platform (PE)	13	42%	34	19%

PLASTICS M&A BY GEOGRAPHY

Type	MTD	% of Total	YTD	% of Total
U.S.-to-U.S.	13	42%	69	38%
U.S.-to-Foreign	1	3%	16	9%
Foreign-to-U.S.	1	3%	14	8%
Foreign	16	52%	81	45%

- Strategic buyers were responsible for 94 deals, or 52% of deal volume in the first half of 2024, which marked higher mix levels for strategic buyers than two of the last three halves
- Financial buyers recorded 86 deals to date, slightly below 2023 first half activity levels. June saw an increase from May volumes due to an influx of platform acquisitions, which increased by eight deals compared to the prior month. In June, platform monthly activity was the highest it has been since PMCF started tracking the space
- The Industrial end market continued to lead all others in H1 2024, accounting for 71% of all deal flow and posting an increase in volume of 12 deals over H1 2023. The Medical end market saw the largest downturn in performance over the same period, falling behind H1 2023 levels by ten deals
- Domestic activity, which includes transactions involving a US-based buyer and seller, accounted for 38% of H1 2024 deal mix, which was up 9% from the mix recorded in H2 2023
- The Specialty subsector led all others in H1 2024 with 71 deals, up eight from the prior period. After posting record levels of activity in H2 2023, the Injection Molding subsector posted a decline in volume of 33 deals in H1 2024, returning to historical levels

PLASTICS M&A BY END MARKET

End Market	MTD	%	YTD	%
Food & Beverage	2	6%	23	13%
Industrial	24	77%	127	71%
Consumer	3	10%	19	11%
Medical	2	6%	11	6%



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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.

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Industry Multiples and Trends

Average EV/EBITDA multiples pulled back from those observed at the beginning of the year when each subsector was trading at more than 8.5x EV/EBITDA on average. Both the Plastic Packaging and Plastic Fabricating subsectors saw downturns in average multiple valuation of over one turn in the first half of 2024.

Public Stock Performance

Subpar financial results for tracked public entities led to declining median performance in the year-to-date period for the Plastic Fabricating subsector. Despite a significant dip in the previously mentioned subsector's performance, the median performance for the Plastic Packaging and Resin and Color & Compounding subsectors are flat or slightly down this year.

Company Name	Stock Performance Year-to-Date	Stock Performance Month-to-Date	Enterprise Value / LTM ¹	
			Revenue	EBITDA
Resin and Color & Compounding				
Avient Corporation	5.0%	-2.3%	1.80x	10.11x
Danimer Scientific, Inc.	-40.9%	-22.6%	9.41x	NM
Dow Inc.	-3.3%	-7.9%	1.17x	7.60x
LyondellBasell Industries N.V.	0.6%	-3.8%	1.02x	8.07x
Solvay SA	18.5%	-2.3%	0.92x	3.52x
Trinseo PLC	-72.4%	-39.7%	0.64x	11.22x
Westlake Chemical Corporation	3.5%	-9.8%	1.77x	10.61x
Mean	-12.7%	-12.6%	2.39x	8.52x
Median	0.6%	-7.9%	1.17x	9.09x
Plastic Packaging				
Amcor plc	1.5%	-3.8%	1.56x	10.66x
Aptar Group, Inc.	13.9%	-4.7%	2.91x	13.44x
Berry Global Group	-12.7%	-1.7%	1.30x	8.16x
Essentra plc	-6.4%	-3.8%	1.66x	10.83x
Huhtamaki Oyj	2.0%	0.9%	1.28x	9.62x
Nampak Limited	52.7%	57.1%	0.48x	5.25x
Pactiv Evergreen Inc.	-17.4%	-8.4%	1.09x	4.92x
Sealed Air Corporation	-4.7%	-10.5%	1.73x	8.39x
Silgan Holdings Inc.	-6.5%	-10.4%	1.37x	8.47x
Sonoco Products Company	-9.2%	-17.4%	1.23x	7.38x
Transcontinental Inc.	10.4%	10.4%	0.80x	5.27x
Winpak Ltd.	9.2%	2.4%	1.41x	6.98x
Mean	2.7%	0.8%	1.40x	8.28x
Median	-1.6%	-3.8%	1.34x	8.28x
Plastic Fabricating				
Core Molding Technologies, Inc.	-14.0%	-17.2%	0.41x	3.38x
Proto Labs, Inc.	-20.7%	-0.3%	1.33x	9.44x
Myers Industries, Inc.	-31.6%	-15.3%	1.13x	9.54x
Mean	-22.1%	-10.9%	0.96x	7.45x
Median	-20.7%	-15.3%	1.13x	9.44x

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
06/27/24	Levine Leichtman Capital Partners, LLC	NSL Analytical Services, Inc.	Color & Compounding
06/25/24	DuPont de Nemours, Inc. (NYSE:DD)	Donatelle Plastics, Inc.	Medical Plastics
06/25/24	Trioworld	Palamy	Flexible Packaging
06/24/24	Abu Dhabi National Oil Company	Covestro AG (XTRA:1COV)	Resin
06/22/24	Manufacturing Revitalization Corporation of America	Wisconic	Injection Molding
06/20/24	Dow Inc. (NYSE:DOW)	Circulus Holdings, PBLLC	Resin
06/16/24	ALPLA Group	Heinlein Plastik-Technik GmbH	Injection Molded Packaging
06/10/24	New Pendulum Corporation	Bardot Plastics	Injection Molding

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

Major News & Insights

- US Rejects Ban on Single-Use Plastics in Government Buying (Plastics News)
- US Plastics Pact Releases New Road Map with 2030 Plastics Targets (Packaging Dive)
- DuPont to Acquire Donatelle Plastics Incorporated (DuPont)
- Dow Acquires Film Recycler Circulus as part of Larger Circularity Push (Plastics News)
- Wage Gains, Low Unemployment Keep Pressure on Fed; Hiring Cooled in June (The Wall Street Journal)

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- 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

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- 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



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