

Keep an eye out for PMCF's Plastics & Packaging year in review M&A reports to get more in-depth versions of this monthly update

## PMCF INDUSTRY M&A ACTIVITY TRACKING

The Global Plastics & Packaging market had a strong finish to the decade with 26 announced deals in December. The monthly volume represents a 44% increase over last year and takes the total number of Plastic and Packaging deals in 2019 to 337, an increase of 3% over 2018 and yet another year of 300+ transactions. This growth has been driven by a large increase in private equity add-on activity which increased 19% to reach a record number of 88 deals in 2019. Despite a decline in December primarily driven by the Paper sub-segment, Packaging M&A posted another strong year with 289 total transactions. Despite the year-over-year decline, Packaging M&A volume is still well above historical averages and continues to be an attractive segment for most buyers.

Deal multiples remain strong across most sectors which should continue to motivate shareholders to explore transactions. Sellers appear to be favoring buyers that offer a strategic benefit (strategic buyer or private equity add-on) vs a platform private equity buyer. Part of this is likely due to strategic buyers or private equity backed strategic buyers paying higher valuation multiples due to potential synergies that are not available to a pure financial buyer. Based on the interest from strategic and financial buyers, the current economic environment, and pipeline of transaction activity already in process, PMCF expects 2020 to be another strong year for Plastics & Packaging M&A.

Data as of December 31, 2019	Month-to-Date (MTD)			Year-to-Date (YTD)		
Plastics	2018	2019	Change	2018	2019	Change
Blow Molding	2	2	0	29	26	-3
Injection Molding	6	9	3	83	100	17
Film	0	1	1	69	55	-14
Resin / Color & Compounding	3	6	3	43	45	2
Sheet & Thermoforming	2	2	0	39	29	-10
Specialty	5	6	1	64	82	18
<b>Total Plastics</b>	<b>18</b>	<b>26</b>	<b>8</b>	<b>327</b>	<b>337</b>	<b>10</b>
Strategic	67%	46%	-21%	54%	55%	1%
Financial Buyer - Add-on	0%	31%	31%	23%	26%	3%
Financial Buyer - Platform	33%	23%	-10%	23%	19%	-4%
Packaging	2018	2019	Change	2018	2019	Change
Rigid Plastic	4	7	3	72	77	5
Flexible Plastic	0	1	1	55	52	-3
Paper	11	5	-6	113	114	1
Other	10	4	-6	56	46	-10
<b>Total Packaging</b>	<b>25</b>	<b>17</b>	<b>-8</b>	<b>296</b>	<b>289</b>	<b>-7</b>
Strategic	72%	35%	-37%	61%	53%	-8%
Financial Buyer - Add-on	8%	35%	27%	20%	19%	-1%
Financial Buyer - Platform	20%	24%	4%	20%	28%	8%

Sources: Capital IQ, PitchBook, Thomson Reuters, Company Reports, PMCF

## NOTABLE M&A ACTIVITY

Date	Target	Acquirer	Category
12/31/19	Allied Glass Containers Limited	Sun Capital Partners, Inc.	Other / Glass
12/26/19	Ogura Shiki Co., Ltd	Dynapac Co., Ltd. (TSE:3947)	Corrugated
12/18/19	Color and Additive Masterbatches Business of Clariant	PolyOne Corporation (NYSE:POL)	Resin / Color & Compounding
12/17/19	Deacro Industries Ltd.	Davis-Standard, LLC (ONCAP)	Other / Machinery
12/13/19	Nampak Plastics Europe Ltd	Bellcave Limited (Greybull)	Bottles / Rigid Packaging
12/05/19	Cm. Packaging Limited	Hoffmann Neopac AG	Closures / Rigid Packaging
12/04/19	Green Fiber International Inc.	Indorama Ventures Public Company Limited (SET:IVL)	Resin / Color & Compounding
12/04/19	POPLAST SRL	Green Arrow Capital	Film / Flexible Packaging
12/02/19	Sportech, Inc.	Monomoy Capital Partners	Thermoforming
12/02/19	Premier Vanguard Ltd	EVO Business Supplies Limited	Printing / Labels

## PUBLIC ENTITY PERFORMANCE

Index	% Change December MTD	% Change December YTD
S&P 500 Index	↑ 2.9%	↑ 28.9%
PMCF Plastics & Packaging Index <sup>(1)</sup>	↑ 2.5%	↑ 19.4%
Rigid Plastic Packaging <sup>(2)</sup>	↑ 2.4%	↑ 12.6%
Flexible Plastic Packaging <sup>(3)</sup>	↑ 6.0%	↑ 17.6%
Other Packaging <sup>(4)</sup>	↓ -0.8%	↑ 29.9%
Paper Packaging <sup>(5)</sup>	↑ 3.4%	↑ 23.6%

(1) AMC, ATR, AVY, BLL, BERY, CCLB, CLN, POM, CMT, ESNT, FOE, HUH1V, ITR, LYB, MYE, SLGN, NPK, POL, SEE, SIM, SOLB, SON, TCLA, TG, WLK, WPK, IPLP, NWL (2) ATR, BERY, IPLP, NPK, SLGN, SON (3) AMC, HUH1V, SEE, TCLA, WPK (4) AVY, BLL, CCLB, CCK, GXI, OI, TSE:5901 (5) CAS, SMDS, GPK, GEF, IP, MNDI, PKG, SK3, WRK

## MAJOR NEWS

- As politicians parse plastics bans, it's time for industry to get proactive (*Plastics News*)
- US boxboard prices end 2019 intact as sources cite 'consolidation and discipline' by producers (*Fastmarkets RISI*)
- Tariffs return on China-made injection molds (*Plastics News*)
- Consumers want non-plastic packaging options (*Packaging Digest*)

For more information, check out our new website, where you can access the electronic version of this report, sign up for future emails, read our latest industry reports, and more!



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## ABOUT 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 the majority of the 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.

Please let us know if you would like to set up a confidential call or meeting. My contact information is john.hart@pmcf.com or 248.223.3468.

Rigid Packaging

Flexible Packaging

Engineered Products

Corrugated & Paper Packaging

Blow Molding

Injection Molding

Extrusion

Specialty Film

Color & Compounding

Printing & Labeling

Thermoforming

Packaging Machinery

## RECENT PMCF PLASTICS & PACKAGING TRANSACTIONS



**SPECIALTY PAPER & LUXURY PACKAGING**



**INJECTION-TO-BLOW MOLDED PACKAGING**



**THERMOFORMED PACKAGING, FOLDING CARTONS**



**CORRUGATED 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



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