

## PMCF Industry M&A Activity Tracking

Strong momentum continued for Global Plastics M&A in November with total transaction activity reaching peak levels for 2020 on a monthly basis and exceeding last year by 12%. Most sub-sectors were up for the month with the exception of Film and Sheet & Thermoforming, which have been lagging most of the year. The Specialty sub-sector had a particularly strong month and is now above last year's totals through November. Resin / Color & Compounding continue to report transactions at or above last year and the sub sector is now up ~20% on a year-to-date basis. From a buyer makeup perspective, strategic buyer activity was up for the month driven primarily by privately held acquirers which recorded twice as many transactions as last year. Private equity volume was flat with last year but it was encouraging to see an uptick in platform acquisitions.

On the other hand, Global Packaging M&A in November was down significantly compared to last year and flat compared to last month. Rigid and Flexible Plastic subsectors were comparable to last year but Paper was lower by nearly 50%. Paper had been outperforming the other sub-sectors on a year-to-date basis and the difference in November could simply be a timing issue. Regardless, the number of transactions in Global Packaging are lower overall and have not rebounded to the same level as Global Plastics. We believe some of this is the result of a supply/demand imbalance where there are more buyers than available sellers.

Based on the deals we've seen or been involved with, transaction multiples for the last few months have been comparable to pre-COVID levels for high quality, well-performing businesses in several sectors within plastics and packaging. This was confirmed within our recent 3rd quarter 2020 report for Global Packaging which reported an average EBITDA multiple of 9.2x for select global packaging M&A transactions. This was close to last year's average of 9.5x and not a large enough change to draw any negative conclusions, given there is variability based on end market / sector mix and only select transactions are included.

We want to wish all our contacts a Merry Christmas and Happy New Year. We are looking forward to putting 2020 in the rear-view mirror and moving into 2021 with positive momentum in plastics and packaging M&A. If you are a plastics and packaging 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.

Data as of November 30, 2020	Month-to-Date (MTD)			Year-to-Date (YTD)		
	2019	2020	Change	2019	2020	Change
<b>Plastics</b>						
Blow Molding	1	2	1	24	14	-10
Injection Molding	7	8	1	91	70	-21
Film	6	4	-2	54	26	-28
Resin / Color & Compounding	3	3	0	39	47	8
Sheet & Thermoforming	4	2	-2	27	14	-13
Specialty	4	9	5	76	77	1
<b>Total Plastics</b>	<b>25</b>	<b>28</b>	<b>3</b>	<b>311</b>	<b>248</b>	<b>-63</b>
Strategic	56%	61%	5%	56%	59%	3%
Financial Buyer - Add-on	36%	25%	-11%	26%	24%	-2%
Financial Buyer - Platform	8%	14%	6%	19%	17%	-1%
<b>Packaging</b>						
Rigid Plastic	4	4	0	70	49	-21
Flexible Plastic	5	4	-1	51	21	-30
Paper	17	9	-8	109	95	-14
Other	3	1	-2	42	31	-11
<b>Total Packaging</b>	<b>29</b>	<b>18</b>	<b>-11</b>	<b>272</b>	<b>196</b>	<b>-76</b>
Strategic	59%	50%	-9%	54%	59%	5%
Financial Buyer - Add-on	34%	44%	10%	27%	25%	-2%
Financial Buyer - Platform	7%	6%	-1%	18%	16%	-3%

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

## Notable M&A Activity

Date	Acquirer	Target	Category
11/30/20	Advanced Barrier Extrusions	Flexible Packaging Converter Business of Berry Global	Flexible Packaging
11/16/20	Altium Packaging LLC	SFB Plastics, Inc.	Blow Molding
11/16/20	Duravant LLC	Cloud Packaging Solutions LLC	Packaging Machinery
11/10/20	Myers Industries	Elkhart Plastics	Rotomolding
11/09/20	Wynnchurch Capital LLC	Drew Foam Cos., Inc.	Foam
11/05/20	Pregis Corporation	Technical Machinery Solutions, Inc	Packaging Machinery
11/03/20	Berlin Packaging L.L.C.	Consolidated Bottle Corporation	Packaging Distribution
11/02/20	Golden West Packaging Group	Berry Pack, Inc. and Progressive Packaging Group, Inc.	Corrugated Packaging
11/02/20	Graham Partners, Inc.	Teamvantage Molding, LLC	Injection Molding
11/02/20	Inovar Packaging Group, LLC	Tabco, Inc.	Printing/Labels

## Public Entity Performance

Index	% Change November MTD	% Change November YTD
S&P 500 Index	↑ 10.8%	↑ 12.1%
PMCF Plastics & Packaging Index <sup>(1)</sup>	↑ 14.4%	↓ 7.2%
Rigid Plastic Packaging <sup>(2)</sup>	↑ 11.3%	↑ 4.7%
Flexible Plastic Packaging <sup>(3)</sup>	↑ 8.3%	↑ 4.9%
Other Packaging <sup>(4)</sup>	↑ 9.6%	↑ 25.7%
Paper Packaging <sup>(5)</sup>	↑ 14.3%	↑ 3.2%

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

## Major News

- Data shows manufacturing 'bouncing back nicely' (Plastics News)
- PP, Solid PS Prices Continue on Trend (Plastics News)
- U.S. Added 245,000 Jobs Last Month as Hiring Slowed (Wall Street Journal)
- Plastics Machinery Shipments Grow by Double Digits in Q3 (Plastics Today)

# 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

Considering a sale involves balancing shareholder and company goals as well as M&A market conditions – a challenging exercise. Our plastics and packaging team can assist in guiding your decision making with insight regarding shareholder succession, timing, acquisitions, major capital expenditures, personnel changes, and other key milestones

### Company Goals

- Maximum Financial Performance and Growth
- Improve Competitive Position
- Maintain Financial Flexibility
- Generate Returns for Shareholders



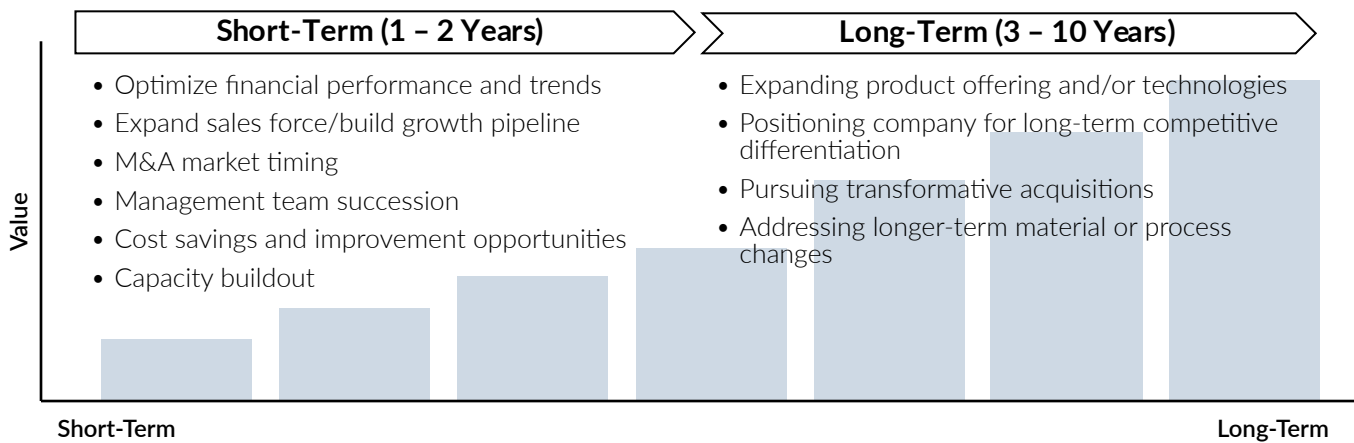
**Impact:**  
Valuation  
ROI  
Sale Timing



### Shareholder Goals

- Maximize Shareholder Value
- Maintain Adequate Risk/Return Profile
- Liquidity/Wealth Diversification
- Adequate Succession Planning/Exit Strategy

## Short & Long-Term Horizons: PMCF Helps the Whole Way



Please let us know if you would like to set up a confidential call or meeting to discuss transaction planning and execution in the short or long-term. You can reach John Hart, who leads PMCF's Plastics & Packaging Group at (248) 223-3468 or [john.hart@pmcf.com](mailto:john.hart@pmcf.com).

# 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

## Recent PMCF Plastics & Packaging Transactions

THERMOFORMED  
PACKAGING

SPECIALTY EXTRUSION &  
INJECTION MOLDING

INJECTION & BLOW  
MOLDED PACKAGING

SPECIALTY PAPER &  
LUXURY PACKAGING

THERMOFORMED PACKAGING,  
FOLDING CARTONS

CORRUGATED  
PACKAGING

CORRUGATED PACKAGING &  
EQUIPMENT

SPECIALTY  
EXTRUSION



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

# P&M Corporate Finance

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