

### PMCF Industry M&A Activity Tracking

M&A volume for Global Plastics recorded yet another peak month in May 2021 with 40 transactions, exceeding last month's high-water mark by 4 transactions. Strategic buyer activity was a key driver, increasing by over 35% and taking share from private equity add on buyers (which were lower by 27% for the month). Platform private equity buyers, on the other hand, remained strong with the same number of transactions as last month, and now represents a higher percentage of overall plastics transactions than pre- COVID levels experienced in 2019.

Most of the Global Plastics subsectors reported increases in the number of transactions compared to last month except for Injection Molding and Thermoforming, which were down by 3 transactions and 1 transaction, respectively. Despite fewer transactions, Injection Molding is still reporting higher transaction levels than its 5-year peak monthly run rate. On a year-to-date basis, Global Plastics M&A overall has set a record number of transactions and if the pace continues, will well exceed the annual peak level since PMCF began tracking Plastics M&A activity in 2005.

Global Packaging M&A activity also registered a strong month with 27 transactions, 2 less transactions than last month but on par with the monthly run rate for the year. From a subsector standpoint, Flexible Plastic packaging increased by 1 transaction over last month and the total volume year-to-date has nearly exceeded the full year 2020. Paper packaging remained consistent with last month and is on a record pace for the year. Rigid Plastics and Other are both trending favorably but did experience slight declines compared to last month. Similar to Global Plastics buyer make up, strategic buyer activity increased significantly for the month, all at the expense of private equity add-on buyers. Platform private equity has recovered from last year and is trending to be consistent with pre- COVID levels.

Overall, May 2021 transaction activity in both Plastics and Packaging was a continuation of a strong M&A trend we've been seeing since late last year. Contributing factors from PMCF's perspective include carryover transactions that were delayed by COVID, continuation of strong "Seller's Market" conditions (including higher transaction multiples), robust buyer demand from industry consolidators and private equity groups, and sellers trying to complete a transaction before a potential change in capital gains tax.

If you are a plastics or 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 May 31, 2021	Month-to-Date (MTD)			Year-to-Date (YTD)		
	2020	2021	Change	2020	2021	Change
<b>Plastics</b>	<b>2020</b>	<b>2021</b>	<b>Change</b>	<b>2020</b>	<b>2021</b>	<b>Change</b>
Blow Molding	2	4	2	8	12	4
Injection Molding	1	9	8	21	56	35
Film	0	6	6	10	32	22
Resin / Color & Compounding	1	9	8	18	27	9
Sheet & Thermoforming	0	3	3	2	11	9
Specialty	2	9	7	31	39	8
<b>Total Plastics</b>	<b>6</b>	<b>40</b>	<b>34</b>	<b>90</b>	<b>177</b>	<b>87</b>
Strategic	83%	65%	-18%	62%	54%	-9%
Financial Buyer - Add-on	17%	20%	3%	24%	26%	2%
Financial Buyer - Platform	0%	15%	15%	13%	20%	7%
<b>Packaging</b>	<b>2020</b>	<b>2021</b>	<b>Change</b>	<b>2020</b>	<b>2021</b>	<b>Change</b>
Rigid Plastic	2	4	2	18	25	7
Flexible Plastic	0	4	4	7	24	17
Paper	9	15	6	44	62	18
Other	2	4	2	19	29	10
<b>Total Packaging</b>	<b>13</b>	<b>27</b>	<b>14</b>	<b>88</b>	<b>140</b>	<b>52</b>
Strategic	69%	67%	-3%	64%	52%	-11%
Financial Buyer - Add-on	23%	19%	-5%	22%	29%	7%
Financial Buyer - Platform	8%	15%	7%	15%	19%	5%

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

### Notable M&A Activity

Date	Acquirer	Target	Category
05/19/21	Tank Holding Corp	Rotational Molding of Utah	Rotomolding
05/17/21	Novolex	Flexo Converters USA	Paper Packaging
05/11/21	Alleghany Capital Corporation	Wilbert	Injection Molding
05/11/21	Prince International Corp	Ferro Corp.	Color & Compounding
05/07/21	The Jordan Company	Spartech LLC	Sheet Extrusion
05/06/21	Berlin Packaging	Raepak Ltd.	Distribution
05/06/21	Resource Label Group	Cypress Multigraphics	Printing / Labels
05/04/21	Kelso & Company	C.L. Smith Company	Packaging Distribution / Blow Molding
05/03/21	PPC Flexible Packaging	Target Labels & Packaging	Printing / Labels
05/03/21	Spectrum Plastics Group	Laser Light Technologies	Specialty / CNC Machining

### Public Entity Performance

Index	% Change May MTD	% Change May YTD
S&P 500 Index	↑ 0.6%	↑ 11.9%
PMCF Plastics & Packaging Index <sup>(1)</sup>	↑ 2.2%	↑ 12.6%
Rigid Plastic Packaging <sup>(2)</sup>	↑ 2.0%	↑ 14.0%
Flexible Plastic Packaging <sup>(3)</sup>	↑ 3.8%	↑ 4.4%
Other Packaging <sup>(4)</sup>	↓ -4.5%	↑ 9.9%
Paper Packaging <sup>(5)</sup>	↑ 3.3%	↑ 19.0%

(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, SON (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

- Plastics M&A market bouncing back in 2021, so far (Plastics News)
- In Plastic-Bag Wars, the Industry Fights Back (Wall Street Journal)
- Retail Sales Hold Clues for Plastics Demand (Plastics Industry Association)
- Supply shortfall continues in PP even as prices ease (Plastics News)



# 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



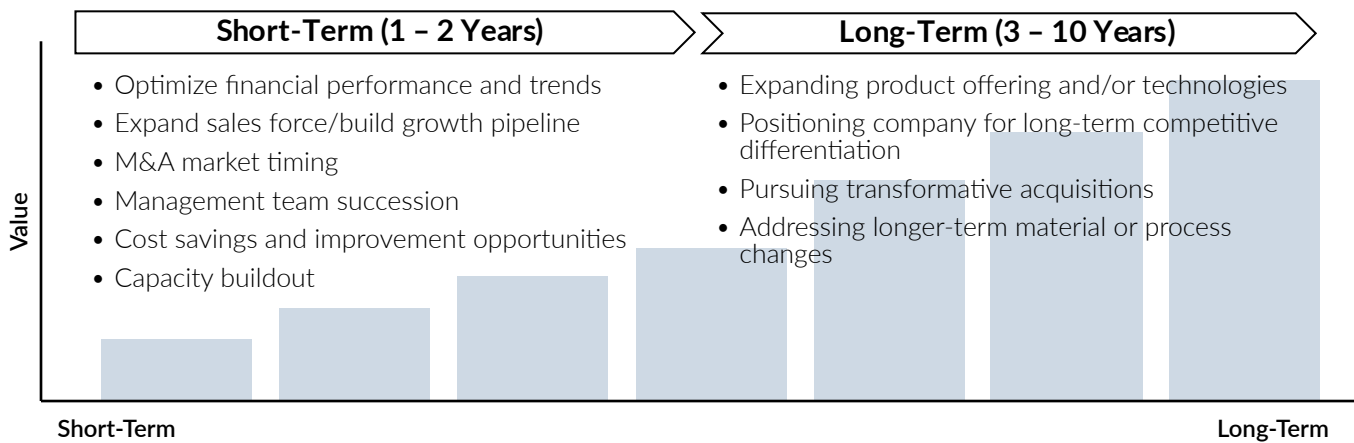
**Impact:**  
Valuation  
ROI  
Sale Timing



### 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



has been acquired by



PACKAGING DISTRIBUTION & BLOW MOLDED PACKAGING



has been acquired by



a portfolio company of



INJECTION MOLDING



a portfolio company of



has been acquired by



a portfolio company of



RECYCLING & FLEXIBLE PACKAGING



has been acquired by



a portfolio company of



THERMOFORMED PACKAGING



has completed a recapitalization with



SPECIALTY EXTRUSION & INJECTION MOLDING



has been acquired by



a portfolio company of



INJECTION & BLOW MOLDED PACKAGING



has been acquired by



a portfolio company of



SPECIALTY PAPER & LUXURY PACKAGING



has been acquired by



a portfolio company of



THERMOFORMED PACKAGING, FOLDING CARTONS



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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