

PLASTICS M&A UPDATE

DECEMBER 2021

Plastics Industry M&A Activity Tracking

December 2021 marked the end of a record year for Global Plastics M&A. Deal volume on the year was the highest it has been since PMCF began tracking the industry about 15 years ago. Total transactions amounted to 52 in the month and 485 in the year which is a substantial increase from 2020 levels of 37 and 285, respectively. Robust deal volumes were driven by carryover transactions from 2020, sellers' concerns over the tax environment, favorable market conditions for buyers, and strong transaction valuations for sellers.

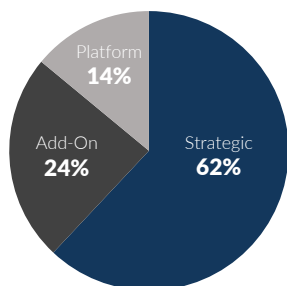
PLASTICS M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2020	2021	Change	2020	2021	Change
Blow Molding	3	2	-1	17	26	9
Injection Molding	9	7	-2	79	127	48
Film	9	4	-5	35	90	55
Resin / Color & Compounding	4	11	7	51	72	21
Sheet & Thermoforming	1	7	6	15	49	34
Specialty	11	21	10	88	121	33
Total Plastics	37	52	15	285	485	200
Strategic	62%	58%	-4%	59%	53%	-6%
Financial Buyer - Add-on	24%	25%	1%	24%	26%	2%
Financial Buyer - Platform	14%	17%	4%	17%	21%	4%

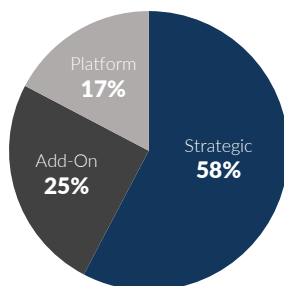
- Private equity firms were responsible for 42% of the deal volume in December up from 38% in December 2020
- On the year, financial buyer plastics transactions doubled over 2020 levels with platform transactions increasing by 113%
- Sheet & Thermoforming, Resin / Color & Compounding, and Specialty transactions all increased by significant levels, combining to account for 75% of transactions in the month
- Film transactions decreased by over 50% for the month but still reported a record number of transactions for the year
- Industrial end market outpaced all end markets with 33 transactions, or 63% of deal volume and accounts for almost 40% of the growth in plastics transactions for the year
- Food & Beverage and Automotive end markets finished the year strong, more than doubling 2020 levels

PLASTICS TRANSACTIONS BY BUYER TYPE

2020 MTD



2021 MTD



TOTAL PLASTICS M&A BY END MARKET

End Market	Month-to-Date		Year-to-Date	
	2020	2021	2020	2021
Food & Beverage	5	3	31	79
Industrial	19	33	124	203
Consumer	8	5	50	69
Construction	3	2	24	27
Medical	2	4	24	40
Automotive / Transportation	0	5	28	59
Total	37	52	285	485

Overall, Global Plastics M&A transaction volume notched a record year in 2021. Given the unique dynamics driving 2021 to record levels, PMCF does not expect M&A volume to continue at the same levels in 2022 but does expect robust activity levels similar to those experienced prior to the COVID-19 pandemic. 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.

Plastics M&A Update – December 2021

Public Entity Performance

Plastics public entities performed adequately in the month of December, delivering overall returns of 2.2%. On the year, Plastics growth has been slowed by poor performance from Plastics Fabricators while Plastic Packaging and Suppliers have delivered modest returns.

Index		% Change December MTD		% Change December YTD
S&P 500 Index	↑	4.4%	↑	26.9%
PMCF Plastics Index ⁽¹⁾	↑	2.2%	↑	5.1%
Resin and Color & Compounding ⁽²⁾	↑	0.7%	↑	6.3%
Plastic Packaging ⁽³⁾	↑	5.2%	↑	9.7%
Plastic Fabricating ⁽⁴⁾	↓	-1.6%	↓	-4.9%

⁽¹⁾ ABCT, CMT, PRLB, ARCW, UFAB, MYE, DOW, WLK, TSE, AVNT, DNMR, ITP, SOLB, LYB, FOE, ATR, SON, SLGN, BERY, AMC, SEE, TCLA, WPK, NPK, HUH1V, PTVE, ESNT ⁽²⁾ DNMR, DOW, TSE, WLK, AVNT, ITP, SOLB, LYB, FOE ⁽³⁾ ATR, SON, SLGN, NPK, BERY, AMC, HUH1V, SEE, TCLA, WPK, PTVE, ESNT ⁽⁴⁾ ABCT, CMT, PRLB, ARCW, UFAB, MYE Source: Capital IQ

Major News

- The Supply-Chain Crunch Is Like a Traffic Jam. Allow Us to Explain. (Wall Street Journal)
- Wages Trending Up for Plastics, Rubber Processors (Plastics News)
- Supply Chain Crisis Shifts Power Balance Between Automakers, Suppliers (Plastics News)
- Omicron Variant Is Expected to Dent Global Economy in Early 2022 (Wall Street Journal)
- PP, PE Prices Take a Fall in December (Plastics News)

Notable M&A Activity

Date	Acquirer	Target	Category
12/31/21	All-State Industries Inc.	Allied Plastics, Inc.	Thermoforming
12/28/21	Comar, LLC	Omega Packaging Inc.	Rigid Packaging
12/22/21	Vance Street Management LLC	Plastic Design Corporation	Medical Plastics
12/20/21	ProAmpac Intermediate, Inc.	Prairie State Group	Flexible Packaging
12/17/21	Pretium Packaging, LLC	Grupo Edid	Rigid Packaging
12/17/21	Apollo Global Management, Inc. (NYSE:APO)	Kem One SAS	Resin
12/07/21	Stryten Manufacturing LLC	Tulip Richardson Manufacturing	Injection Molding
12/06/21	Advanced Drainage Systems, Inc. (NYSE:WMS)	Jet Polymer Recycling, Inc.	Recycling
12/01/21	Teknor Color Company	Lanier Color Company, Inc.	Color & Compounding
12/01/21	Pexco LLC	Performance Elastomers Corporation	Extrusion

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

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

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

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

Recent PMCF Plastics & Packaging Transactions



THERMOFORMING



PACKAGING DISTRIBUTION &
BLOW MOLDED PACKAGING



INJECTION MOLDING



RECYCLING & FLEXIBLE
PACKAGING



THERMOFORMED
PACKAGING



SPECIALTY EXTRUSION
& INJECTION MOLDING



INJECTION & BLOW
MOLDED PACKAGING



THERMOFORMED 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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