



EDGEPOINT

INDUSTRIALS: PLASTICS AND RUBBER

- The Plastics and Rubber industry is gaining momentum as it recovers from the effects of the COVID-19 pandemic. M&A continues to increase with a notable shift towards transactions involving strategic and financial-backed strategic acquirers.
- After steadily outperforming the S&P 500 by a considerable measure since the U.S. Presidential Election in November, the Plastics and Rubber indices underperformed the S&P 500 toward the end of the second quarter. The Plastics Index took the most dramatic downward turn, giving back nearly four months of gains.
- The Purchasing Managers' Index (PMI) stabilized after increasing significantly over the prior nine months. Producer prices across most categories peaked or reached a plateau in the month of July after demonstrating high levels of volatility late in the second quarter.
- EdgePoint expects deal momentum in the Plastics and Rubber industry to remain steady throughout the remainder of 2021 as business owners and investors absorb recent macroeconomic trends and begin looking toward 2022.

RECENT TRANSACTIONS (SELECTED)

Target	Date	Buyers / Investors	Region	Strategic / Financial
Alterra Energy LLC	Jul 21	Ravago S.A.	US	Strategic
Gruppo Plastipolver	Jul 13	ReLife SpA	EMEA	Strategic
H. Weterings Galgeweg B.V.	Jul 1	Hexatronic Group AB (publ)	EMEA	Strategic
Elastofirm B.V.	Jun 9	Egeria Capital Management B.V.	EMEA	Financial
Sanitärtechnik Eisenberg GmbH	Jun 7	Roca Sanitario, S.A.	EMEA	Strategic
Dansk Emballage Aps	May 18	MJ Plastics ApS	EMEA	Strategic
United Converting Inc.	May 18	Global Plastic Supply, Inc.	US	Strategic
Tecnicware Products Sdn. Bhd.	May 4	Plastictecnic (M) Sdn. Bhd.	APAC	Strategic
Substantially all assets of Laser Light Technologies LLC	May 3	Spectrum Plastics Group, Inc.	US	Financial-Backed Strategic
Micro Plastics Private Limited	Apr 27	Premji Invest Limited; ADV Partners	APAC	Financial
Piedmont Polymers & Fabrication, LLC	Apr 19	C & K Plastics, Inc.	US	Strategic
Ritter GmbH	Apr 12	Avantor Performance Materials, LLC	EMEA	Strategic
Dura Plastic Products, Inc.	Apr 9	Tigre USA Inc.	US	Strategic
Rematech Industries Inc.	Apr 2	Belterra Corporation	US	Strategic
Kessel (Thailand) Co., Ltd.	Apr 2	SiamEast Solutions Public Company Limited	APAC	Strategic
Liberty Tire Recycling LLC	Apr 1	Energy Capital Partners, LLC; Energy Capital Partners IV, LP	US	Financial

For more information and insight please contact the EdgePoint Industrials team:

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M&A
Advisory
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EdgePoint Public Comparable Index Constituents

Plastics / Polymers Index

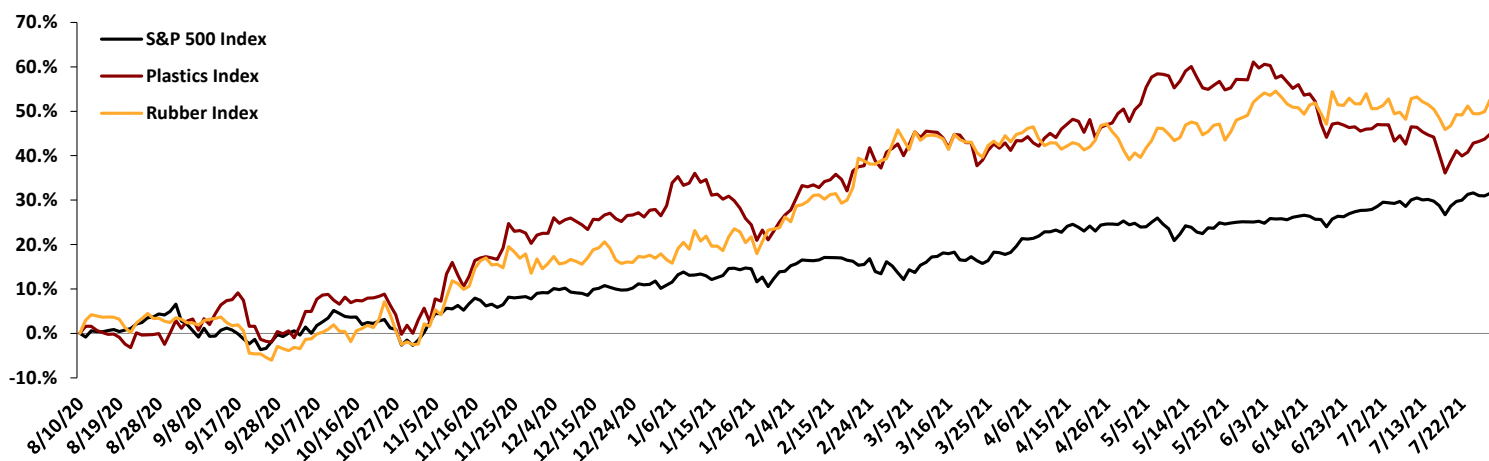
Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2021E	LTM	2021E	LTM	LTM	3-Yr. CAGR		
Avery Dennison Corporation	\$19,197	28.3%	15.9%	\$1,248	\$1,280	14.7x	15.0x	\$7,873	16.0%	3.8%	\$210.68	93.1%
Berry Global Group, Inc.	18,856	19.5%	17.1%	2,255	2,266	7.7x	8.3x	13,189	12.5%	19.7%	64.29	90.7%
Clariant AG	8,159	31.2%	15.4%	671	770	10.7x	10.6x	4,363	-12.3%	-15.4%	20.79	91.0%
Core Molding Technologies, Inc.	152	17.3%	11.3%	31	0	6.5x	0.0x	274	17.7%	9.4%	14.23	82.0%
Dow Inc.	60,766	17.3%	17.7%	8,190	11,958	6.2x	5.1x	46,185	18.1%	0.0%	62.16	87.1%
Essentra plc	1,502	7.4%	11.7%	150	187	9.0x	8.1x	1,275	0.8%	-3.2%	3.94	83.7%
Ferro Corporation	2,000	31.3%	15.2%	165	198	12.9x	10.1x	1,085	14.5%	-11.2%	20.80	94.5%
Intertape Polymer Group Inc.	1,858	24.4%	14.2%	182	245	9.6x	7.6x	1,280	10.5%	11.3%	22.27	84.5%
LyondellBasell Industries N.V.	47,617	18.1%	18.1%	6,416	9,388	6.3x	5.1x	35,356	18.1%	-2.1%	99.33	84.2%
Myers Industries, Inc.	849	30.5%	10.2%	64	75	12.8x	11.3x	632	30.8%	3.6%	21.18	88.3%
Avient Corporation	5,796	25.1%	12.5%	542	0	10.1x	0.0x	4,319	60.9%	11.8%	48.52	89.5%
Solvay SA	16,819	27.2%	19.1%	2,265	2,527	6.7x	6.7x	11,835	-5.1%	-3.1%	133.45	96.5%
Tredegar Corporation	575	21.7%	12.5%	96	0	5.6x	0.0x	773	-1.2%	-8.7%	13.07	55.1%
Westlake Chemical Corporation	13,815	21.5%	23.3%	2,112	2,734	9.2x	5.1x	9,079	19.6%	2.2%	82.92	77.9%
Median		23.1%	15.3%	607	508	9.1x	7.1x	4,341	15.3%	1.1%	35.4	87.7%
Mean		22.9%	15.3%	1,742	2,259	9.1x	8.4x	9,823	14.4%	1.3%	58.4	85.6%

Rubber Index

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Week High
		Gross	EBITDA	LTM	2021E	LTM	2021E	LTM	LTM	3-Yr. CAGR		
Michelin	\$33,552	30.6%	19.8%	\$5,245	\$5,512	6.2x	6.1x	\$26,445	2.7%	1.2%	\$163.35	99.4%
Pirelli & C. S.p.A.	11,248	68.4%	17.7%	1,117	1,356	12.9x	8.3x	6,303	12.2%	-2.5%	6.05	95.8%
Goodyear Tire & Rubber Company	9,607	21.9%	10.0%	1,454	1,762	8.7x	5.5x	14,611	14.9%	-2.3%	15.71	75.9%
Median		30.6%	17.7%	1,454	1,762	8.7x	6.1x	14,611	12.2%	-2.3%	15.71	95.8%
Mean		40.3%	15.8%	2,605	2,876	9.3x	6.6x	15,787	9.9%	-1.2%	61.70	90.4%

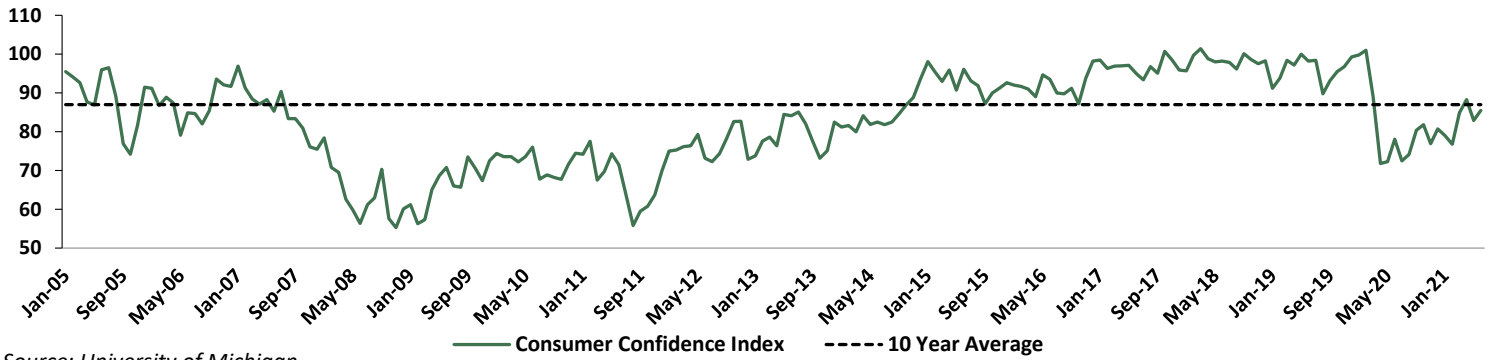
Source: S&P CapIQ (As of July 31, 2021)

Trailing Twelve Months Stock Performance

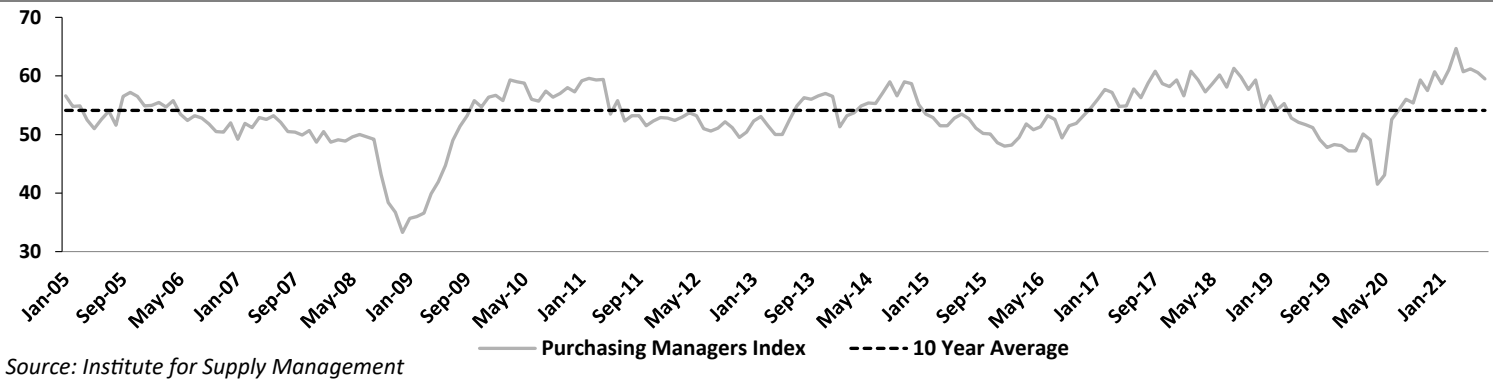


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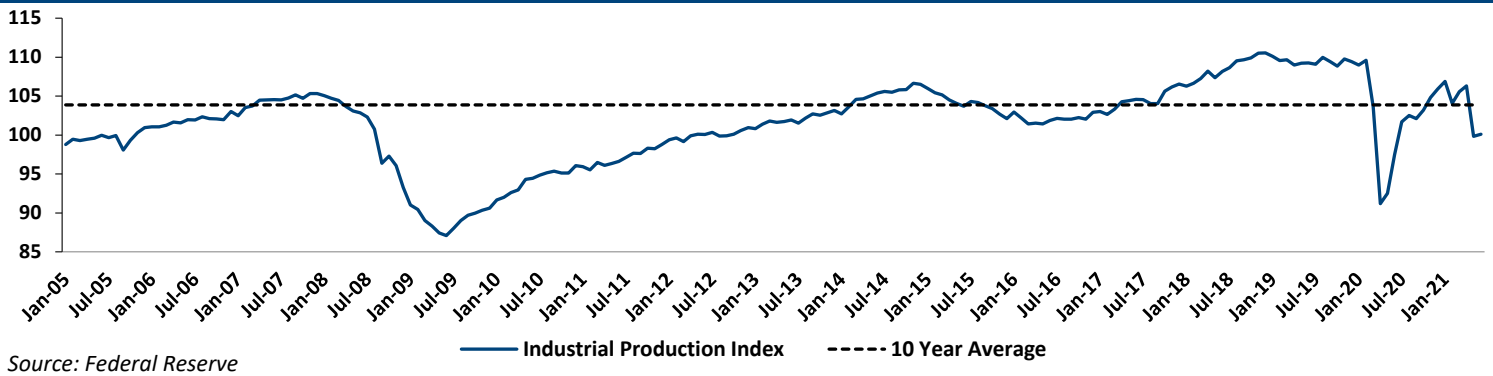
Consumer Confidence Index (2005 - 2021)



Purchasing Managers Index (2005 - 2021)



Industrial Production Index (2005 - 2021)



U.S. Real GDP Growth (2004 - 2021)

