



EDGEPOINT

## INDUSTRIALS: PLASTICS AND RUBBER

- The deal market for plastics and rubber businesses remains active. There is high demand for plastics businesses in particular, with a focus on plastic component manufacturers and plastic recycling businesses—especially in the United States and Europe. The rubber market has seen slightly less M&A activity since the highly publicized merger of Goodyear and Cooper Tire earlier this year.
- The Plastics and Rubber Indices have traded lower than the S&P 500 over the last three months. Both indices had been outperforming the market through the middle of the second quarter, but have reversed course since mid-year.
- The Industrial Production Index continued to show weakness due to supply chain and labor headwinds that continued through the third quarter. Volatility and labor challenges are expected to persist into mid-2022 as the markets continue to normalize following a period of volatility.
- EdgePoint expects that domestic transaction volume will remain stable through the remainder of 2021 and into 2022 as businesses await the resolution of infrastructure, social, and tax policy proposals being debated in Congress.

## RECENT TRANSACTIONS (SELECTED)

| Target   | Date   | Buyers / Investors                    | Region | Strategic / Financial      |
|--|--------|---------------------------------------|--------|----------------------------|
| Performance Plastics Inc./Angeles Composites Tech. Inc.    | Oct 26 | JW Hill, LLC                          | US     | Strategic                  |
| Veolia Recycling Solutions Sweden AB                       | Oct 25 | REMONDIS International GmbH           | EMEA   | Strategic                  |
| VB Seals, Inc.   | Oct 8  | Trelleborg Sealing Solutions US, Inc. | US     | Strategic                  |
| Johnson Plastic Group, S.A. de C.V.                        | Oct 7  | Tekni-Plex Healthcare                 | EMEA   | Financial-Backed Strategic |
| National Pipe & Plastics, Inc.                             | Oct 1  | Oldcastle Infrastructure, Inc.        | US     | Strategic                  |
| SINTAC RECYCLING, S.L.                                     | Sep 10 | Gestora Catalana De Residuos, S.L.U.  | EMEA   | Strategic                  |
| Technetics Group Houston (nka:Altamira Material Solutions) | Sep 3  | Edgewater Capital Management, LLC     | US     | Financial                  |
| M-Industries, LLC  | Aug 10 | Tekni-Plex, Inc.                      | US     | Financial-Backed Strategic |
| Certain Assets of Trilogy Plastics Inc.                    | Aug 2  | Myers Industries, Inc.                | US     | Strategic                  |
| Alterra Energy LLC   | Jul 21 | Ravago S.A.                           | EMEA   | Strategic                  |
| Gruppo Plastipolver  | Jul 13 | ReLife SpA                            | EMEA   | Financial-Backed Strategic |
| Reviva Plastics AB   | Jul 9  | Trioworld Industrier Ab               | EMEA   | Financial-Backed Strategic |
| H. Weterings Galgeweg B.V.                                 | Jul 1  | Hexatronic Group AB (publ)            | EMEA   | Strategic                  |

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

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## EdgePoint Public Comparable Index Constituents

## Plastics / Polymers Index

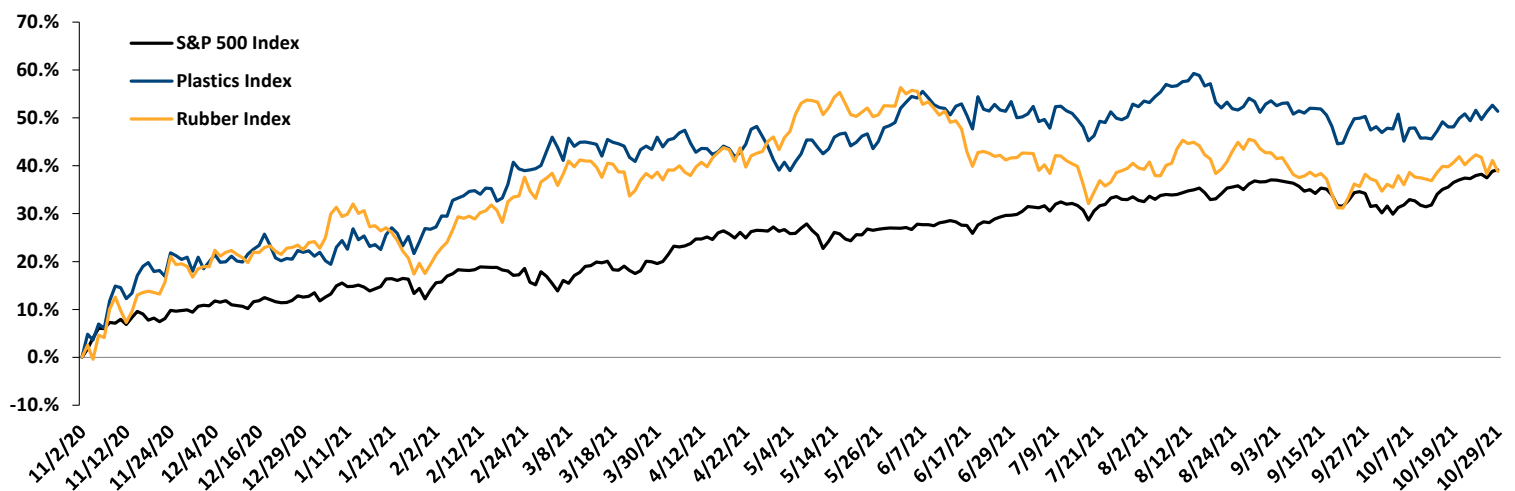
| Company Name                    | Enterprise Value (EV) | LTM Margins  |              | EBITDA       |              | EV/EBITDA   |             | Revenue LTM   | Revenue Growth |             | Stock Price | % of 52 Wk High |
|---------------------------------|-----------------------|--------------|--------------|--------------|--------------|-------------|-------------|---------------|----------------|-------------|-------------|-----------------|
|                                 |                       | Gross        | EBITDA       | LTM          | 2021E        | LTM         | 2021E       |               | LTM            | 3-Yr. CAGR  |             |                 |
| Avery Dennison Corporation      | \$21,037              | 28.0%        | 15.7%        | \$1,290      | \$1,324      | 15.6x       | 15.9x       | \$8,216       | 21.7%          | 4.9%        | \$217.72    | 95.1%           |
| Berry Global Group, Inc.        | 18,916                | 19.5%        | 17.1%        | 2,255        | 2,242        | 7.8x        | 8.4x        | 13,189        | 12.5%          | 19.7%       | 65.54       | 92.4%           |
| Clariant AG                     | 8,442                 | 30.9%        | 16.2%        | 690          | 771          | 10.7x       | 11.0x       | 4,271         | -4.0%          | -10.3%      | 21.00       | 93.0%           |
| Core Molding Technologies, Inc. | 119                   | 14.5%        | 7.9%         | 23           | 0            | 3.7x        | 0.0x        | 295           | 35.4%          | 7.8%        | 11.00       | 63.4%           |
| Dow Inc.                        | 55,528                | 19.1%        | 19.5%        | 10,022       | 12,460       | 4.7x        | 4.5x        | 51,310        | 34.9%          | 0.0%        | 55.97       | 78.4%           |
| Essentra plc                    | 1,512                 | 7.4%         | 11.7%        | 150          | 183          | 9.2x        | 8.2x        | 1,275         | 0.8%           | -3.2%       | 3.98        | 85.8%           |
| Ferro Corporation               | 1,995                 | 31.5%        | 15.4%        | 172          | 220          | 11.1x       | 9.0x        | 1,120         | 18.7%          | -11.1%      | 21.02       | 95.5%           |
| Intertape Polymer Group Inc.    | 1,921                 | 24.8%        | 14.7%        | 204          | 255          | 9.0x        | 7.5x        | 1,389         | 22.8%          | 12.8%       | 22.68       | 85.5%           |
| LyondellBasell Industries N.V.  | 44,348                | 19.6%        | 19.5%        | 8,052        | 9,694        | 4.8x        | 4.6x        | 41,280        | 47.5%          | 1.7%        | 92.82       | 78.7%           |
| Myers Industries, Inc.          | 822                   | 28.5%        | 9.0%         | 63           | 76           | 11.8x       | 10.9x       | 699           | 42.8%          | 7.2%        | 20.58       | 85.8%           |
| Avient Corporation              | 6,347                 | 24.5%        | 12.8%        | 589          | 576          | 10.2x       | 11.0x       | 4,614         | 58.9%          | 15.4%       | 53.88       | 96.0%           |
| Solvay SA                       | 15,067                | 27.0%        | 16.0%        | 1,963        | 2,536        | 6.7x        | 5.9x        | 12,257        | 5.7%           | -1.9%       | 118.87      | 86.6%           |
| Tredegar Corporation            | 519                   | 19.7%        | 11.0%        | 88           | 0            | 5.2x        | 0.0x        | 798           | 4.9%           | -8.3%       | 12.06       | 50.9%           |
| Westlake Chemical Corporation   | 15,211                | 26.6%        | 28.1%        | 2,873        | 3,207        | 6.9x        | 4.7x        | 10,236        | 37.9%          | 5.8%        | 97.34       | 91.4%           |
| <b>Median</b>                   |                       | <b>24.7%</b> | <b>15.5%</b> | <b>639</b>   | <b>673</b>   | <b>8.4x</b> | <b>7.9x</b> | <b>4,443</b>  | <b>22.2%</b>   | <b>3.3%</b> | <b>38.3</b> | <b>86.2%</b>    |
| <b>Mean</b>                     |                       | <b>23.0%</b> | <b>15.3%</b> | <b>2,031</b> | <b>2,396</b> | <b>8.4x</b> | <b>8.5x</b> | <b>10,782</b> | <b>24.3%</b>   | <b>2.9%</b> | <b>58.2</b> | <b>84.2%</b>    |

## Rubber Index

| Company Name                   | Enterprise Value (EV) | LTM Margins  |              | EBITDA       |              | EV/EBITDA   |             | Revenue LTM   | Revenue Growth |              | Stock Price  | % of 52 Week High |
|--------------------------------|-----------------------|--------------|--------------|--------------|--------------|-------------|-------------|---------------|----------------|--------------|--------------|-------------------|
|                                |                       | Gross        | EBITDA       | LTM          | 2021E        | LTM         | 2021E       |               | LTM            | 3-Yr. CAGR   |              |                   |
| Michelin                       | \$32,405              | 30.6%        | 19.8%        | \$5,245      | \$5,437      | 6.1x        | 5.9x        | \$26,445      | 2.7%           | 1.2%         | \$156.91     | 93.5%             |
| Pirelli & C. S.p.A.            | 11,245                | 68.4%        | 17.7%        | 1,117        | 1,384        | 9.4x        | 8.0x        | 6,303         | 12.2%          | -2.5%        | 6.14         | 95.7%             |
| Goodyear Tire & Rubber Company | 13,575                | 22.1%        | 10.5%        | 1,696        | 1,788        | 7.8x        | 7.6x        | 16,080        | 29.9%          | 0.9%         | 19.12        | 91.9%             |
| <b>Median</b>                  |                       | <b>30.6%</b> | <b>17.7%</b> | <b>1,696</b> | <b>1,788</b> | <b>7.8x</b> | <b>7.6x</b> | <b>16,080</b> | <b>12.2%</b>   | <b>0.9%</b>  | <b>19.12</b> | <b>93.5%</b>      |
| <b>Mean</b>                    |                       | <b>40.4%</b> | <b>16.0%</b> | <b>2,686</b> | <b>2,870</b> | <b>7.8x</b> | <b>7.2x</b> | <b>16,276</b> | <b>14.9%</b>   | <b>-0.1%</b> | <b>60.73</b> | <b>93.7%</b>      |

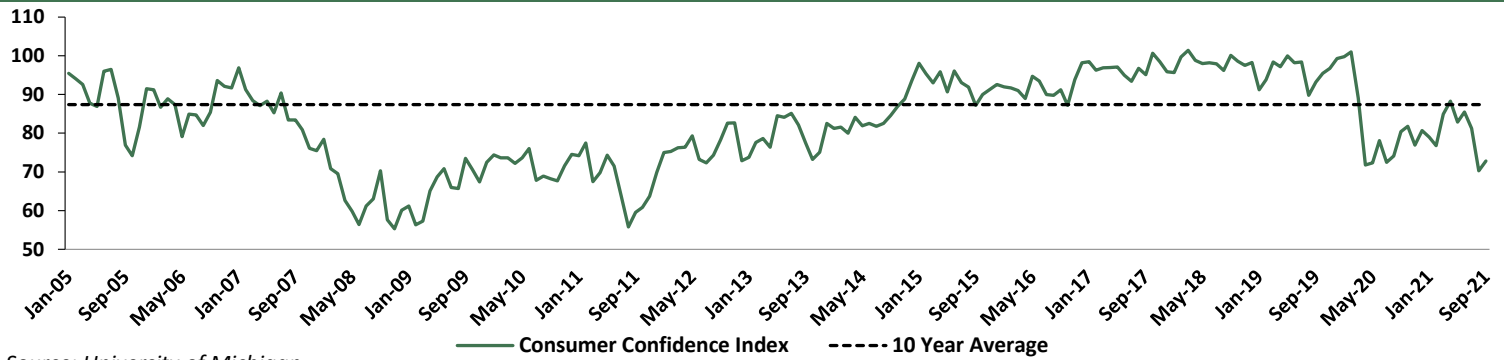
Source: S&amp;P CapIQ (As of October 31, 2021)

## Trailing Twelve Months Stock Performance

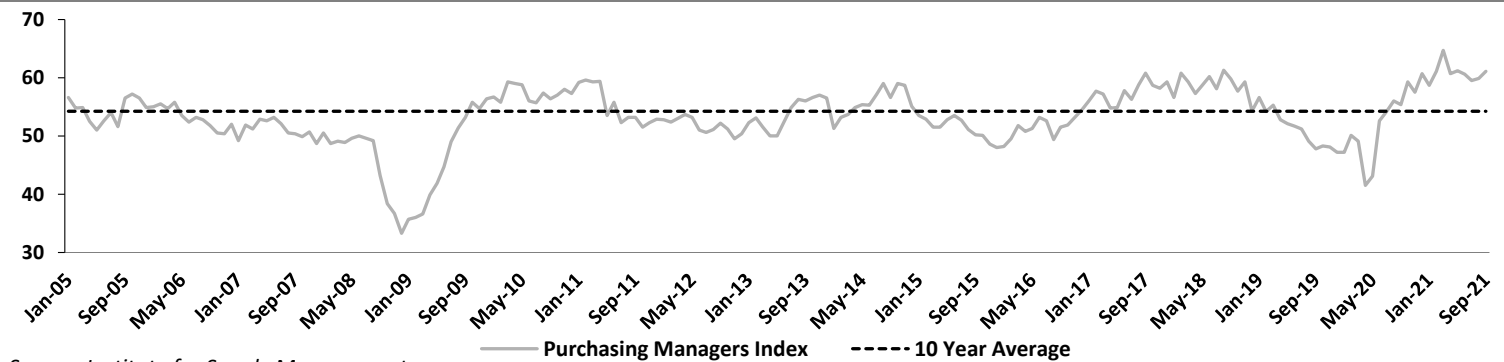


Source: S&amp;P CapIQ (As of October 31, 2021)

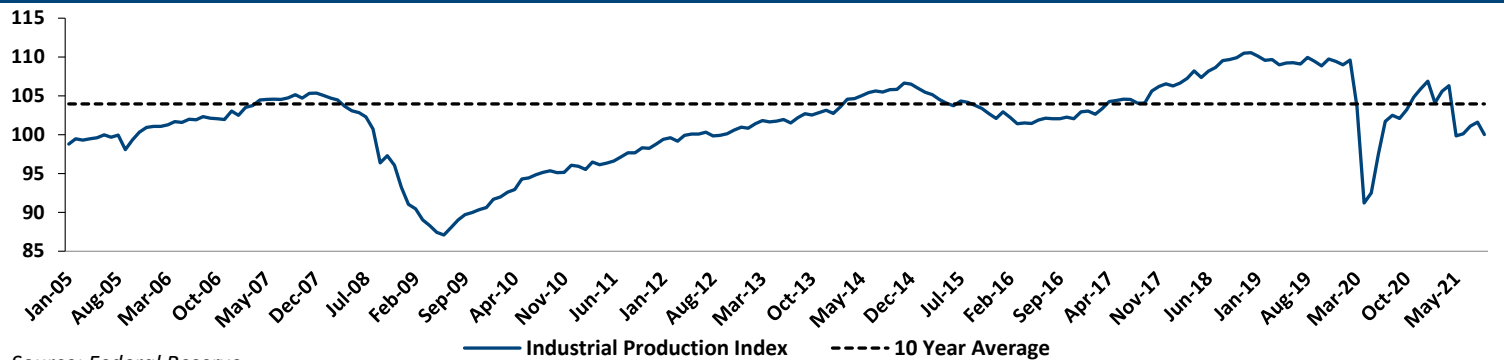
## Consumer Confidence Index (2005 - 2021)



## Purchasing Managers Index (2005 - 2021)



## Industrial Production Index (2005 - 2021)



## U.S. Real GDP Growth (2005 - 2021)

