



### Quarterly Update

- Strategic acquirers in the United States and in Europe were responsible for the majority of deal volume in the plastics and rubber sector during late 2021 and the first quarter of 2022.
- Commercial and industrial recycling businesses have been attractive targets over the last several months.
- EdgePoint's Plastics Index demonstrated relatively stable performance in line with the market during the first few months of the year, while the Rubber Index suffered a 40% drop during the month of February due to oil price volatility resulting from the Russia-Ukraine conflict.
- The Consumer Confidence Index continued its decline, missing consensus expectations and falling to 59.4 in March. First Quarter Real GDP growth also missed expectations, falling to -1.4% versus the year prior – domestic measures showed signs of underlying strength, however.
- EdgePoint expects plastics and rubber valuations to remain relatively stable throughout the current period of inflation and oil price volatility. Key short-term issues to watch include FOMC handling of domestic interest rates and the impact of the Russia-Ukraine conflict on oil prices.

### Recent Industrials Transactions (Selected)



For more information and insights, please contact the EdgePoint Industrials Group:



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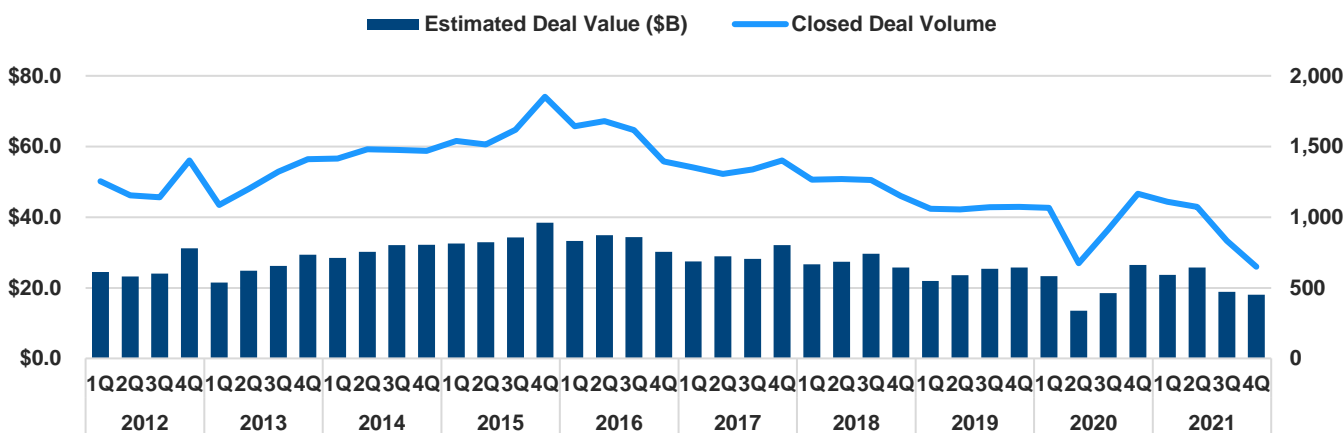
# Industrials: Plastics & Rubber | April 2022

## Recent Chemicals & Coatings Transactions (Selected)

Target	Date	Buyer / Investor	Region (Target)	Buyer / Investor Type
WearDeck	Apr 25	Owens Corning	US	Strategic
Business of Oy Baritec AB	Apr 13	Distrupol Limited	EMEA	Strategic
Rubberlast Group Limited	Apr 5	Fluidpower Ltd	EMEA	Financial-Backed Strategic
ReMat Zrt.	Apr 1	MOL Magyar Olaj- és Gázipari	EMEA	Strategic
Mid-America Recycling, Inc.	Mar 8	Schupan & Sons, Inc.	US	Strategic
Krusik - plastika a.d.	Mar 1	Construction plastic doo Beograd	EMEA	Strategic
Mura Technology Limited	Jan 18	LG Chem, Ltd.	EMEA	Strategic
OB&E Rubber Company	Jan 4	Singer Equities, Inc.	US	Financial
Plastic Design Corporation	Dec 22	Vance Street Management LLC	US	Financial
Greiner Extrusion Group GmbH	Dec 21	Extrusion Technology Holding B.V.	EMEA	Strategic
American Recycling Holdings, LLC	Dec 16	Tide Rock Holdings LLC	US	Financial
Control Equipment, Inc.	Dec 14	Kimray, Inc.	US	Strategic
Sewickley Capital, Inc.	Dec 13	Piovan S.p.A.	US	Strategic
Davis-Standard, LLC	Dec 10	Gamut Capital Management, L.P.	US	Financial
Edgewood Manufacturing Inc	Dec 9	MyTana Manufacturing, Inc.	US	Strategic
Jet Polymer Recycling, Inc.	Dec 3	Advanced Drainage Systems, Inc.	US	Strategic
OMV Machinery Srl	Nov 30	MalStra Technologies LLC	EMEA	Strategic
UltrePET LLC	Nov 30	Evergreen	US	Strategic
Kangtai Plastic Technology Group Co., Ltd	Nov 23	Guangdong Xiongsu Technology	APAC	Strategic
PLÁSTICOS SAN JOSÉ, S.A.	Nov 12	Condaplast, S.A.	LATAM	Strategic
Pacific Hose & Fittings, Inc.	Nov 11	Alaska Rubber and Supply, Inc.	US	Strategic

Source: S&P Capital IQ (April 30, 2022)

## Global Lower-Middle Market Quarterly Deal Flow



Lower-middle market refers to deals valued at \$100 million or less

Source: Pitchbook (April 30, 2022)

# Industrials: Plastics & Rubber | April 2022

## EdgePoint Public Comparable Index Constituents

### Plastics / Polymers Index

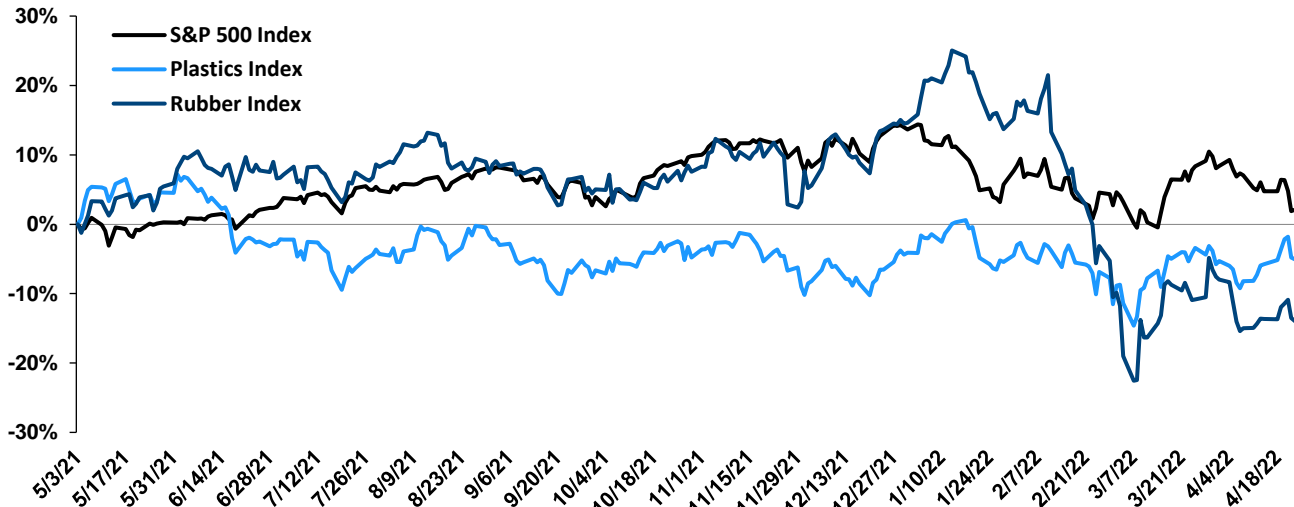
Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2020E	LTM	2020E	LTM	LTM	3-Yr. CAGR		
Avery Dennison Corporation	17,933	27.1%	14.7%	1,281	1,449	13.3x	12.4x	8,706	19.3%	6.9%	180.60	78.8%
Berry Global Group, Inc.	17,411	16.9%	15.0%	2,140	2,265	8.1x	7.7x	14,287	18.8%	21.0%	56.35	75.4%
Clariant AG	6,935	30.9%	16.2%	638	717	9.5x	9.6x	3,949	-4.0%	-10.3%	16.78	82.3%
Core Molding Technologies, Inc.	116	13.4%	7.4%	23	-	4.8x	0.0x	307	38.3%	4.5%	10.00	57.6%
Dow Inc.	61,537	20.3%	20.4%	11,921	11,413	4.4x	5.4x	58,350	43.5%	6.7%	66.50	92.5%
Essentra plc	1,197	8.7%	12.0%	115	150	9.4x	8.0x	960	7.0%	-2.2%	3.15	85.9%
Intertape Polymer Group Inc.	2,901	22.3%	13.9%	213	266	10.8x	8.9x	1,531	26.3%	13.3%	39.75	99.6%
LyondellBasell Industries N.V.	46,256	18.7%	18.2%	9,164	8,341	4.5x	5.5x	50,248	71.3%	9.7%	106.03	89.8%
Myers Industries, Inc.	908	27.9%	9.1%	69	98	11.8x	9.3x	761	49.2%	10.3%	21.93	92.8%
Avient Corporation	5,881	22.8%	11.6%	573	637	9.7x	9.2x	4,950	34.0%	21.9%	49.24	80.1%
Solvay SA	10,355	25.6%	16.9%	1,933	2,377	4.6x	4.3x	11,434	17.7%	0.4%	90.56	76.3%
Tredegar Corporation	440	18.0%	9.2%	76	-	5.6x	0.0x	826	9.4%	-1.0%	11.45	70.6%
Westlake Chemical Corporation	20,625	29.7%	30.8%	3,628	4,367	5.5x	4.7x	11,778	57.0%	10.9%	126.55	93.4%
<b>Median</b>		<b>22.3%</b>	<b>14.7%</b>	<b>638</b>	<b>717</b>	<b>8.1x</b>	<b>7.7x</b>	<b>4,950</b>	<b>26.3%</b>	<b>6.9%</b>	<b>49.2</b>	<b>82.3%</b>
<b>Mean</b>		<b>21.7%</b>	<b>15.0%</b>	<b>2,444</b>	<b>2,468</b>	<b>7.9x</b>	<b>6.5x</b>	<b>12,930</b>	<b>29.8%</b>	<b>7.1%</b>	<b>59.9</b>	<b>82.7%</b>

### Rubber Index

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2020E	LTM	2020E	LTM	LTM	3-Yr. CAGR		
Michelin	24,336	29.4%	18.6%	4,427	5,155	5.3x	4.7x	23,795	16.2%	2.6%	119.05	76.5%
The Goodyear Tire & Rubber Company	11,273	21.7%	10.7%	1,878	2,243	5.2x	5.0x	17,478	41.9%	4.1%	13.32	53.5%
Pirelli & C. S.p.A.	8,167	69.3%	17.7%	993	1,328	7.4x	6.0x	5,594	23.1%	0.2%	4.75	70.5%
<b>Median</b>		<b>29.4%</b>	<b>17.7%</b>	<b>1,878</b>	<b>2,243</b>	<b>5.3x</b>	<b>5.0x</b>	<b>17,478</b>	<b>23.1%</b>	<b>2.6%</b>	<b>13.32</b>	<b>70.5%</b>
<b>Mean</b>		<b>40.1%</b>	<b>15.7%</b>	<b>2,433</b>	<b>2,909</b>	<b>5.9x</b>	<b>5.3x</b>	<b>15,622</b>	<b>27.1%</b>	<b>2.3%</b>	<b>45.71</b>	<b>66.8%</b>

Source: S&P Capital IQ (April 30, 2022)

## EdgePoint Public Comparable Index Trailing Twelve Months Stock Performance

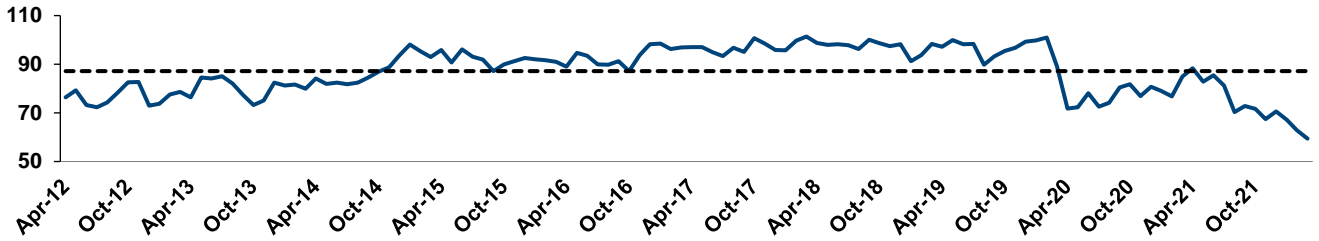


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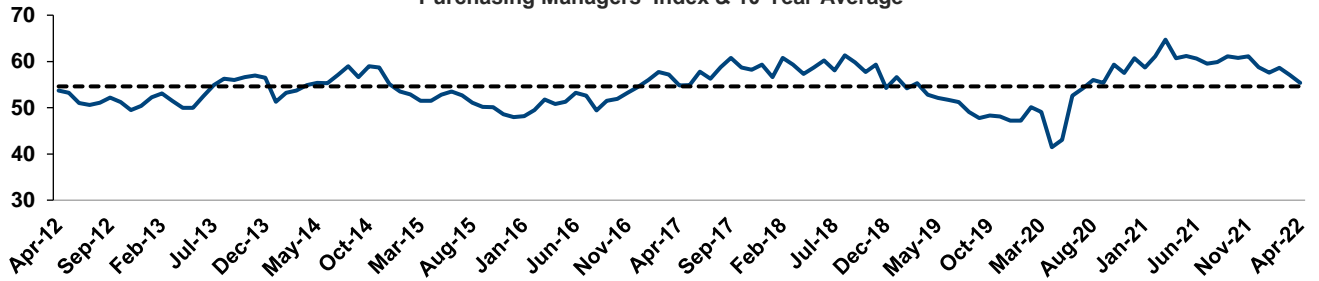
## Key Macroeconomic Indicators

### University of Michigan Consumer Confidence Index & 10-Year Average



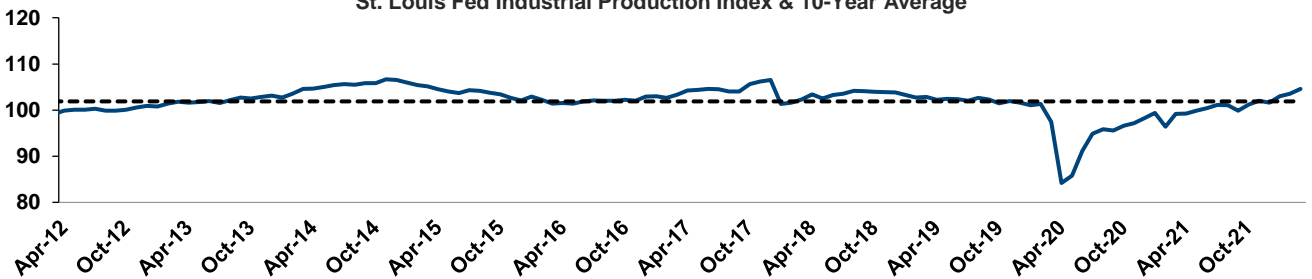
Source: University of Michigan

### Purchasing Managers' Index & 10-Year Average



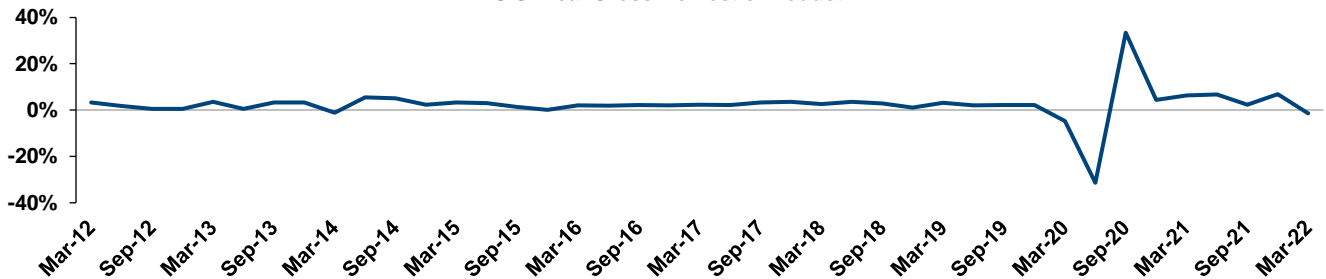
Source: Institute for Supply Management

### St. Louis Fed Industrial Production Index & 10-Year Average



Source: The Federal Reserve Bank of St. Louis

### U.S. Real Gross Domestic Product



Source: Bureau of Economic Analysis