



Quarterly Update

- M&A activity in the plastics & rubber industry remains lower than 2022 levels; however, several end markets remain hot, including medical, rigid packaging and custom molding.
- Steady consumption of durable and nondurable goods from the housing and automotive end markets supported plastics production during the first half of 2023.
- The ample supply of resin that exists in the market is likely to suppress pricing for the remainder of 2023.
- Capital expenditures in the plastics equipment manufacturing space declined slightly in Q2 2023 after a sharp uptick in Q1, due in large part to higher interest rates.
- The increased raw material costs and supply chain constraints that hampered the plastics & rubber industry over the last several quarters are stabilizing and will course correct over the remainder of 2023; these trends will give buyers confidence and should lead to increased interest in M&A activity.

Recent Industrials Transactions (Selected)



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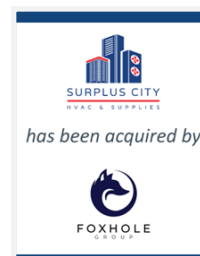
has been acquired by



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and



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



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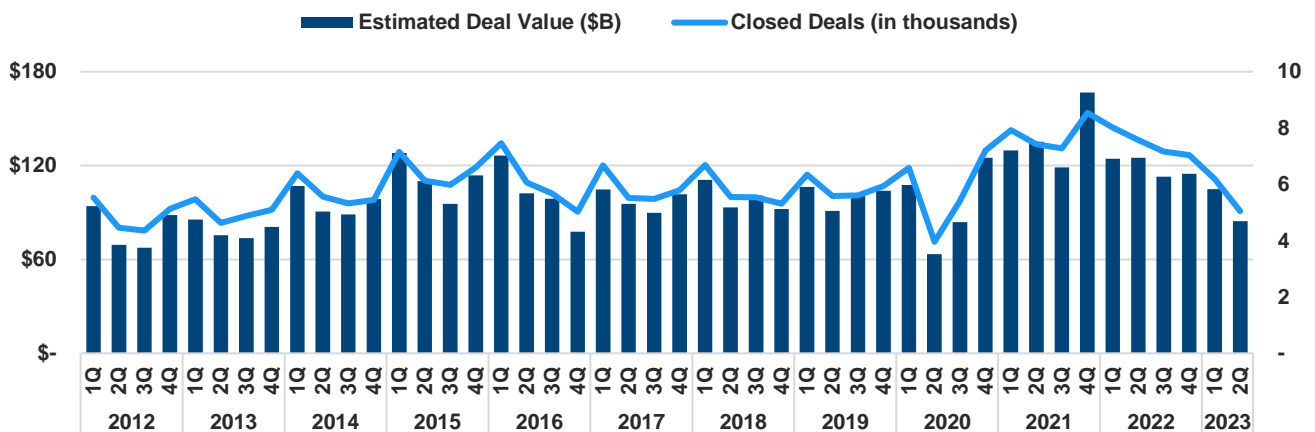
Industrials: Plastics & Rubber | July 2023

Recent Plastics & Rubber Transactions (Selected)

Target	Date	Buyer / Investor	Region (Target)	Buyer / Investor Type
Constantia Flexibles Group GmbH	Jul 31	One Rock Capital Partners	EMEA	Financial
Plastic Distributors and Fabricators, Inc.	Jul 25	Evantic	United States	Financial-Backed Strategic
Vital Plastics, Inc.	Jul 18	Wolverine Capital Partners	United States	Financial
Comco Plastics, Inc.	Jul 17	Centric Machining Solutions LLC	United States	Financial-Backed Strategic
The HC Companies Inc.	Jul 17	Platinum Equity	United States	Financial
Samhwa P&T Co.,Ltd.	Jul 14	TPG	ASIA	Financial
Protective Packaging Solutions, LLC	Jul 5	Specialized Packaging Group, Inc.	United States	Financial-Backed Strategic
EK-Pack Folien GmbH	Jun 29	Oliver Healthcare Packaging, LLC	EMEA	Financial-Backed Strategic
Advanced Special Tools, Inc.	Jun 26	Pht Inc.	United States	Strategic
Poly Flex Products, Inc.	Jun 21	Nefab AB	United States	Financial-Backed Strategic
Paragon Medical	Jun 16	Clayens NP Group	United States	Financial-Backed Strategic
Design Molded Plastics	Jun 15	Big Shoulders Capital	United States	Financial
Natech Plastics, Inc.	Jun 7	Stratec SE	United States	Strategic
Precision Mold Services, Inc.	Jun 5	Persico S.p.A.	United States	Strategic
Morse Rubber LLC	Jun 1	FLSmidth & Co. A/S	United States	Strategic
Darco Enterprises, Inc.	May 31	Nowia Group	United States	Financial-Backed Strategic
Precision Concepts Group, LLC	May 17	ONCAP	United States	Financial
SYSTEX Products Arkansas Company	May 11	DENSO Corporation	United States	Strategic
Assem-Pak, Inc.	May 5	DWK Life Sciences GmbH	United States	Financial-Backed Strategic
Pro-Western Plastics Ltd.	May 4	Berry Global Group, Inc.	United States	Strategic
Saleria LLC	May 2	Synthetik Applied Technologies, LLC	United States	Financial-Backed Strategic

Source: S&P Capital IQ (July 31, 2023)

Global Lower-Middle Market Quarterly Deal Flow



- Strategic acquirers continue to pursue transactions as means to increase production and distribution capabilities to meet increased demand.
- Plastics & rubber M&A is expected to remain robust, driven by interest in medical, rigid packaging and custom molding end markets.

Source: Pitchbook (June 1, 2023); Lower-middle market refers to deals valued at \$100 million or less

Industrials: Plastics & Rubber | July 2023

EdgePoint Public Comparable Index Constituents

Plastics / Polymers Index

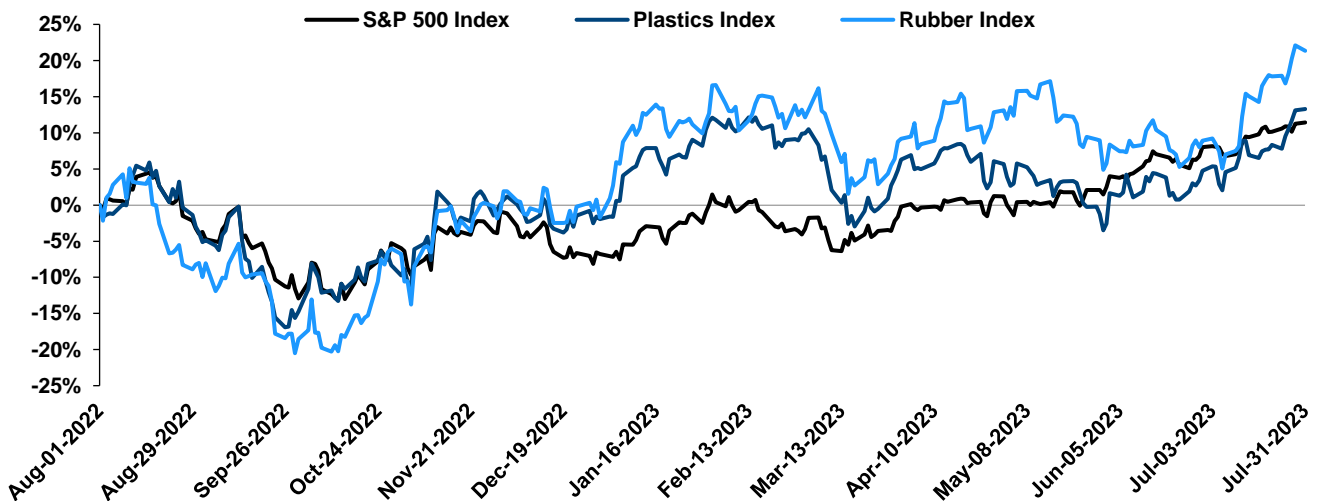
Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue		Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2022E	LTM	2022E	LTM	LTM	LTM	3-Yr. CAGR		
Avery Dennison Corporation	18,183	26.1%	14.1%	1,195	1,270	14.4x	14.3x	8,499	-5.1%	7.8%		184.01	90.0%
Berry Global Group, Inc.	17,227	17.3%	15.2%	2,054	2,122	8.4x	8.1x	13,495	-8.1%	7.9%		65.57	96.4%
Clariant AG	5,767	27.3%	14.7%	722	697	7.1x	8.3x	4,919	0.4%	6.1%		14.23	75.8%
Core Molding Technologies, Inc.	244	14.4%	8.3%	32	36	6.9x	6.8x	386	18.8%	11.9%		24.12	98.9%
Dow Inc.	52,878	11.9%	12.3%	6,055	5,574	7.2x	9.5x	49,245	-18.1%	8.0%		56.47	92.8%
Essentra plc	369	7.4%	9.1%	31	67	10.1x	5.6x	338	12.0%	-29.7%		1.62	62.5%
LyondellBasell Industries N.V.	43,567	12.5%	11.9%	5,650	5,519	7.0x	7.9x	47,541	-5.4%	12.4%		98.86	97.6%
Myers Industries, Inc.	819	31.8%	11.3%	101	113	7.4x	7.2x	890	9.5%	21.3%		19.61	74.0%
Avient Corporation	5,363	28.5%	13.5%	442	525	12.1x	10.2x	3,284	-3.7%	6.9%		40.53	81.5%
Solvay SA	12,907	26.5%	19.9%	3,177	2,899	3.7x	4.5x	15,986	27.7%	13.1%		109.10	96.6%
Tredegar Corporation	387	13.4%	5.2%	46	-	7.9x	0.0x	893	1.7%	5.1%		6.92	55.3%
Westlake Chemical Corporation	21,211	23.7%	23.8%	3,591	3,028	5.7x	7.0x	15,094	12.0%	23.4%		137.50	99.4%
Median		20.5%	12.9%	959	984	7.3x	7.6x	6,709	1.0%	7.9%		48.5	91.4%
Mean		20.1%	13.3%	1,925	1,821	8.2x	7.4x	13,381	3.5%	7.8%		63.2	85.1%

Rubber Index

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue		Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2022E	LTM	2022E	LTM	LTM	LTM	3-Yr. CAGR		
Michelin	26,488	26.4%	17.8%	5,234	5,342	4.8x	5.0x	29,380	13.5%	10.6%		29.77	97.0%
The Goodyear Tire & Rubber Company	13,675	17.7%	8.0%	1,661	2,037	6.9x	6.7x	20,838	10.4%	13.6%		16.08	97.4%
Pirelli & C. S.p.A.	8,291	67.0%	18.0%	1,280	1,413	6.0x	5.9x	7,130	15.2%	14.6%		4.85	95.8%
Median		26.4%	17.8%	1,661	2,037	6.0x	5.9x	20,838	13.5%	13.6%		16.08	97.0%
Mean		37.0%	14.6%	2,725	2,931	5.9x	5.8x	19,116	13.0%	12.9%		16.90	96.8%

Source: S&P Capital IQ (July 31, 2023)

EdgePoint Public Comparable Index Trailing Twelve Months Stock Performance



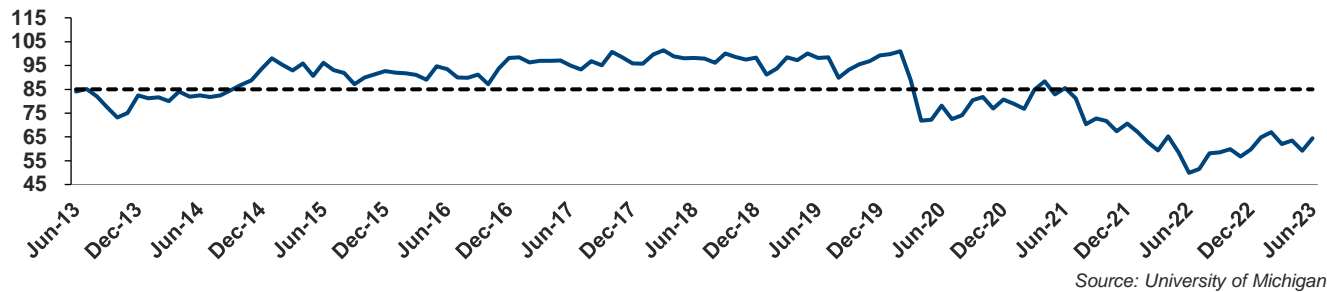
Source: S&P Capital IQ (July 31, 2023)

- Plastics and rubber stocks have traded in line with the broader market over the last year. Easing pressure on raw material costs and supply chains along should help bolster plastics and rubber stock performance for the remainder of 2023.

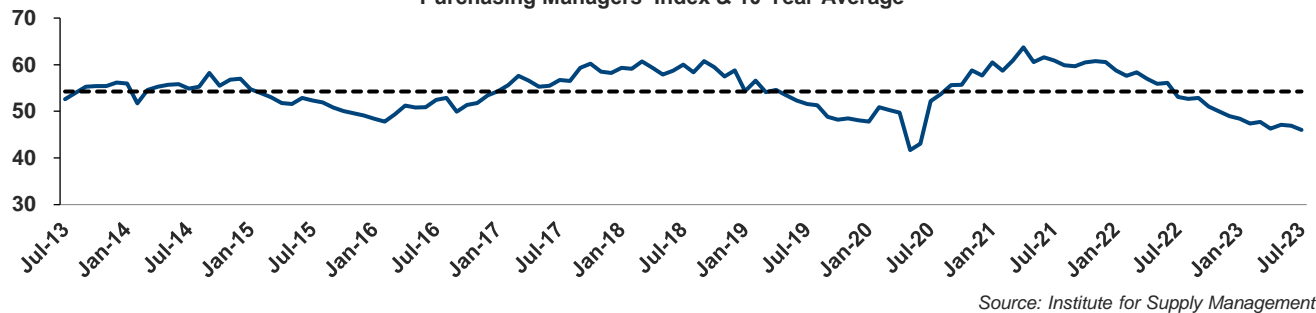
Industrials: Plastics & Rubber | July 2023

Key Macroeconomic Indicators

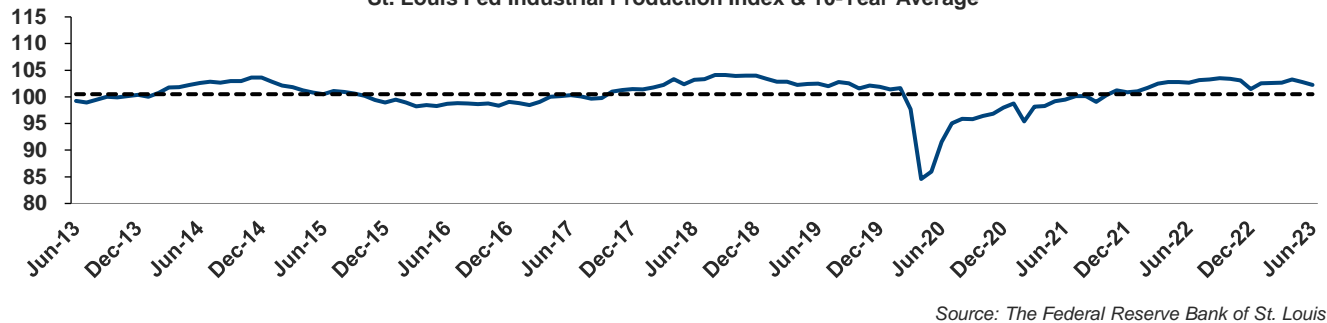
University of Michigan Consumer Confidence Index & 10-Year Average



Purchasing Managers' Index & 10-Year Average



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



U.S. Real Gross Domestic Product

