



Plastics Industry M&A Update
Q4 2024

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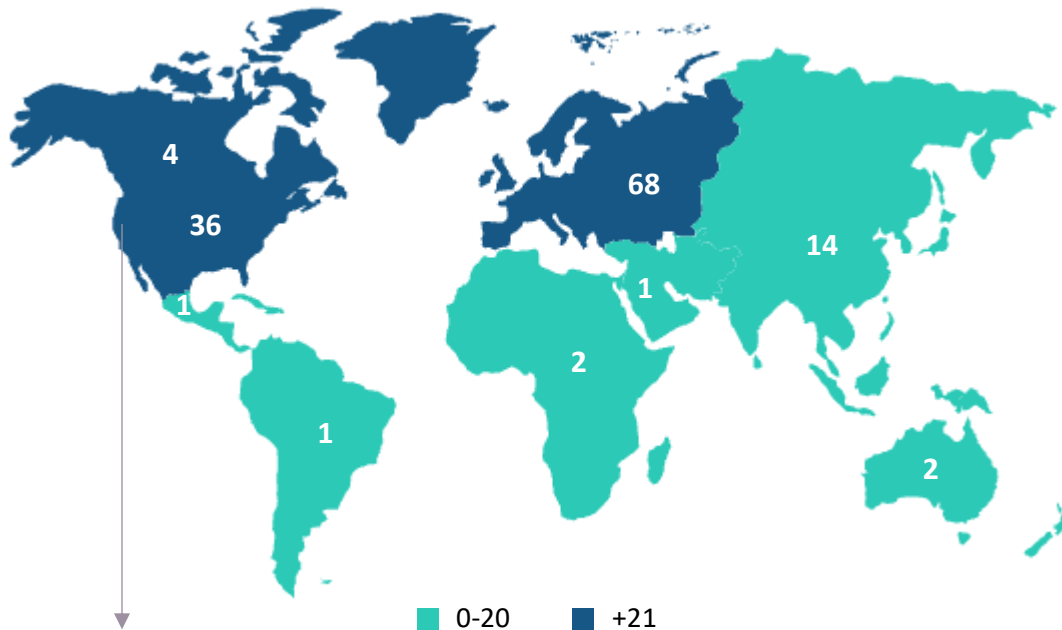
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REPORT HIGHLIGHTS

- The Plastics Material and Resin Manufacturing PPI index decreased 0.4% in Q4, driven by a slight increase in supply of plastic materials from non-OPEC producers and a decrease in demand, particularly in China.
- The median EV/EBITDA multiple for reported private equity deals decreased to 2.5x (only one EV/EBITDA multiple was reported for PE buyers) in 2024 from 8.0x in 2022 (the last year with PE EV/EBITDA multiples reported), and decreased for strategic deals to 8.9x from 12.6x in the prior year.
- M&A deal volume in the Plastics sector increased 34.4% in Q4 to 129 deals from 96 deals in Q3, and increased 20.6% from 107 deals in Q4 of the prior year.
- As a % of total capital invested in M&A transactions in the sector, PE participation decreased to 24.2% in 2024 from 49.0% in 2023.
- Europe was the most active region in Q4 with 68 deals. Most notably in Europe was Silgan Holdings' \$928.8 million acquisition of Weener Plastics Group in October 2024.



Of the 129 deals in the Plastics sector in Q4, Europe was the most active with 68. A notable European deal (in addition to the Weener Plastics Group deal mentioned on the previous page) was Gerresheimer’s \$850.0 million acquisition of Bormioli Pharma, an Italian manufacturer of pharmaceutical packaging products, in December 2024. North America was the second most active with 40 transactions and all other regions combined for a total of 21 deals.



Canada: 4

United States: 36

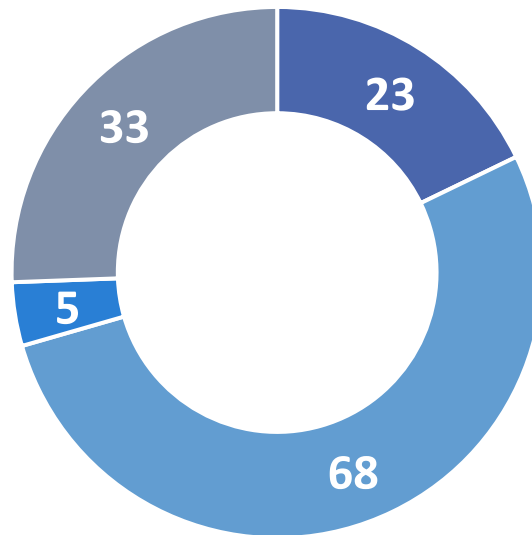
Great Lakes:	10
Mid Atlantic:	8
West Coast:	7
Southeast:	5
Others:	6

In the U.S. market, the Great Lakes region was the most active area with 10 deals, followed by the Mid Atlantic and West Coast with 8 and 7 closed transactions, respectively. Most notably in the U.S. was Exchange Income’s \$120.0 million acquisition of Spartan Mat, an Oregon-based manufacturer of industrial composite access mats and interlocking mat systems for the construction market, in November 2024. The Southeast region reported 5 deals and all other U.S. regions combined for a total of 6 completed transactions.

Outside of the U.S. in the North American market, 4 deals were closed in Canada in Q4 2024.

Of the 129 Plastics deals in Q4, 68 deals were in the Commercial Products subsector, making it the most active from an M&A volume standpoint. Containers & Packaging was the second most active with 23, followed by Chemicals & Gases with 5 completed transactions. All other subsectors combined for 33 closed deals.

Deal by Subsector



Commercial Products



Containers & Packaging



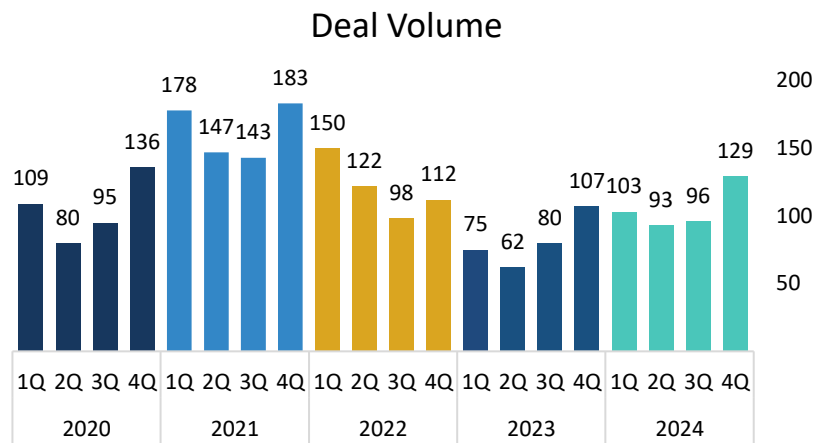
Chemicals & Gases



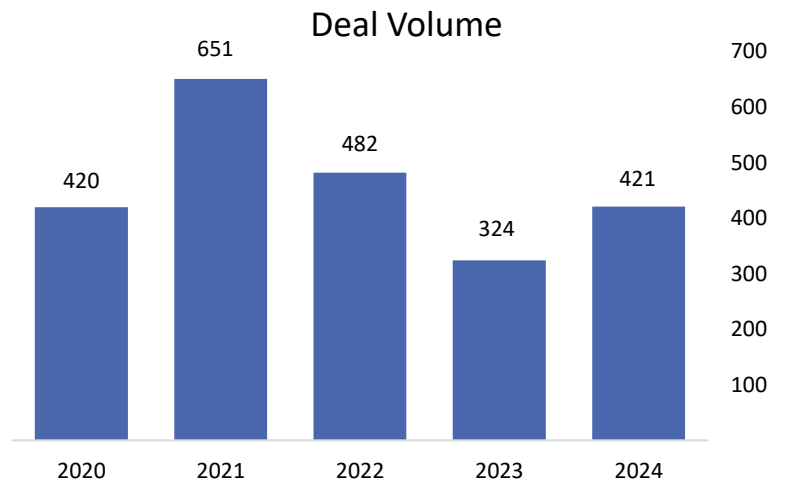
Others



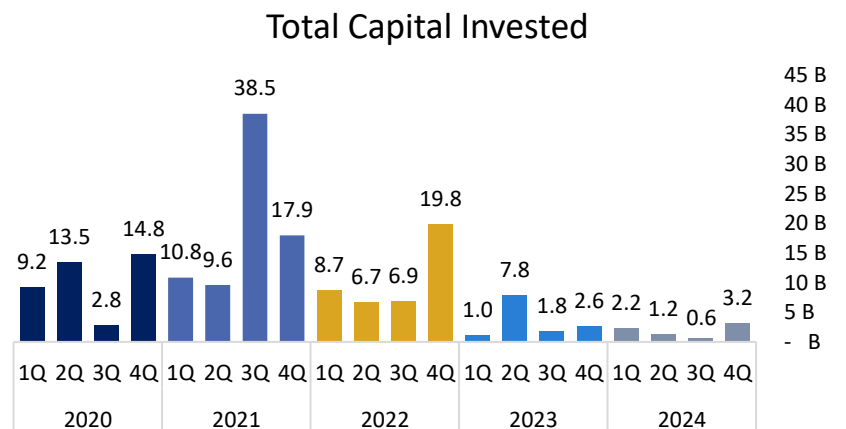
Deal volume in the Plastics sector increased 34.4% in Q4 to 129 deals from 96 deals in Q3, and increased 20.6% from 107 deals in Q4 of the prior year. Q4 represents the highest level of deal volume seen since Q1 2022 and is indicative of the generally positive market sentiment as we begin to have more clarity on the macro environment with the US election in the rearview mirror.



Annual deal volume increased 29.9% to 421 deals in 2024 from 324 in 2023. This uptick in deal volume represents a reversal of the downward trend in recent years, and we anticipate increasingly strong M&A activity in the Plastics sector in 2025.

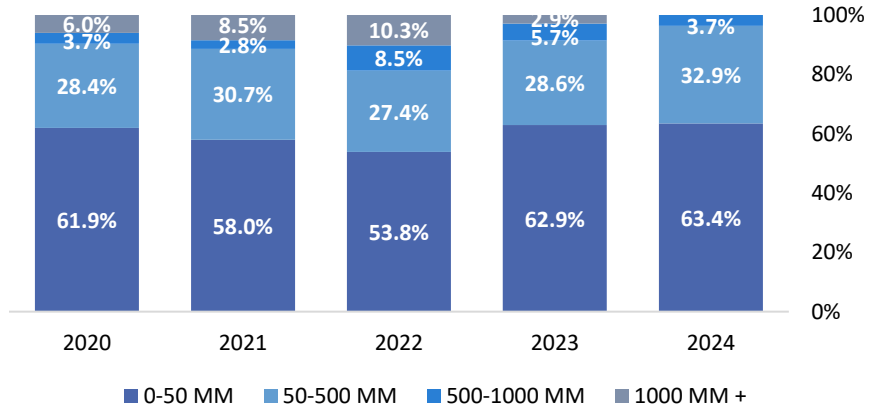


Following the trend in total deal volume, total capital invested in M&A deals in the sector increased 433.3% in Q4 to \$3.2B from \$0.6B in Q3, and increased 23.1% from \$2.6B in Q4 of the prior year. This increase from Q3 2024 was primarily driven by higher deal volume and several significant transactions, including Silgan Holdings' \$928.8 million acquisition of Weener Plastics Group in October 2024 and Gerresheimer's \$850.1 million acquisition of Bormioli Pharma in December 2024.



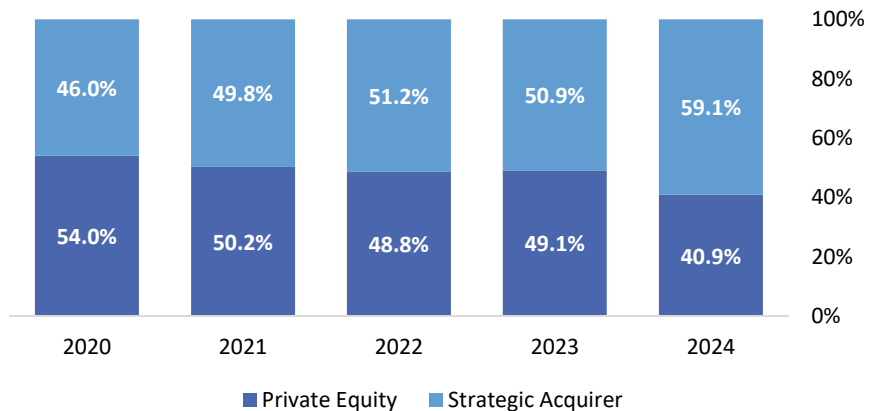
In 2024, we generally saw a shift towards smaller-sized deals from the prior year. The lower middle (\$0 - \$50 MM) and middle (\$50 - \$500 MM) tranches of the market both increased to 63.4% and 32.9% from 62.9% and 28.6% in 2023, respectively. The upper middle market (\$50 - \$500 MM) decreased to 3.7% from 5.7% and no deals were reported in the large cap market (\$1000 MM+) in 2024.

Deal Volume by Deal Size



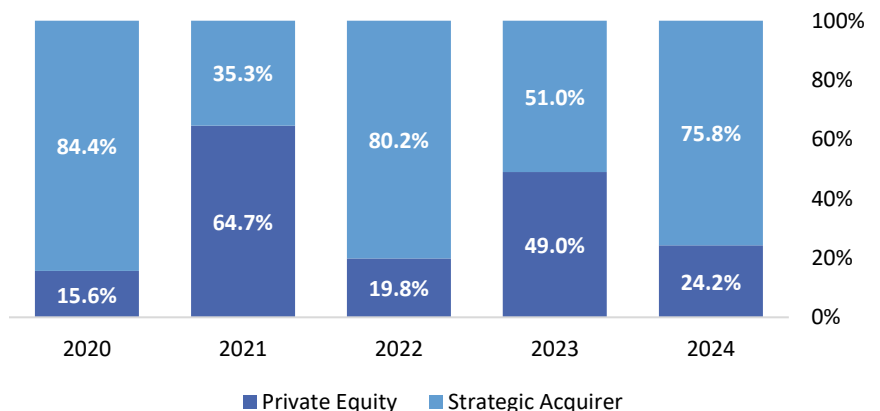
As a % of total deal volume, PE buyers trended lower in 2024 relative to strategic buyers, representing 40.9% of deal volume in the sector compared to 49.1% in 2023. 2024 marks the lowest level of participation in the sector (from a volume standpoint) from PE buyers versus strategic buyers over the last five years.

Deal Volume by Acquirer



Following the trend in deal volume, total capital invested by PE investors (as a % of overall capital invested) decreased significantly in 2024 to 24.2% from 49.0% in 2023. 2024 continues the trend of significant year-over-year fluctuations in private equity participation (from a % of capital invested standpoint) versus strategic buyers over the last five years.

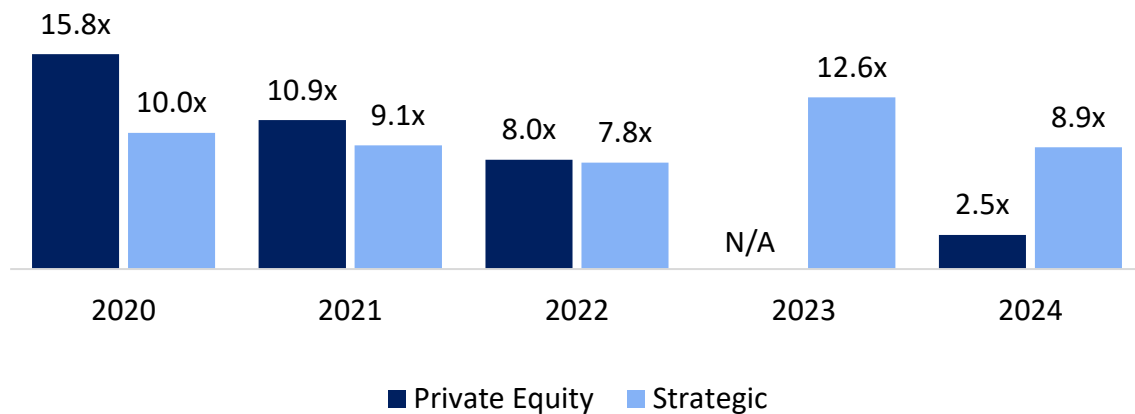
Total Capital Invested by Acquirer



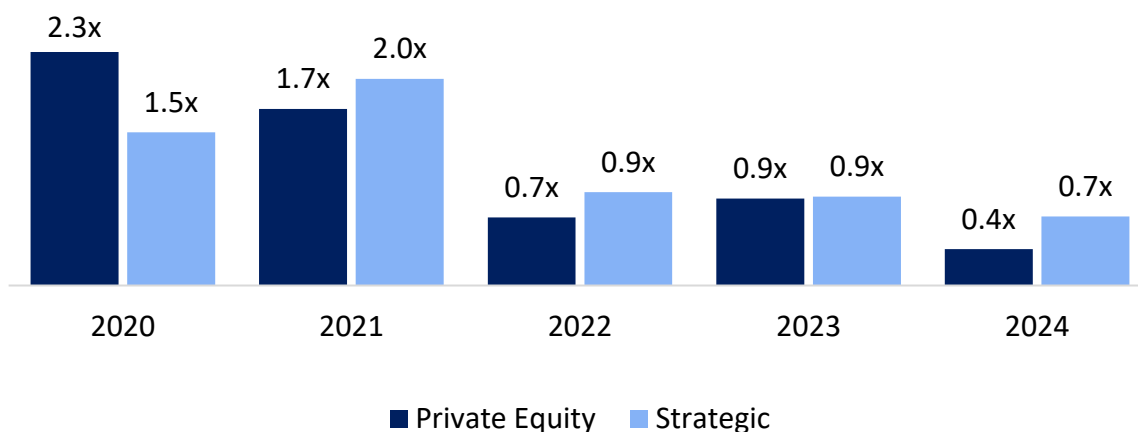
The median EV/EBITDA multiple for reported private equity deals decreased to 2.5x (only one EV/EBITDA multiple was reported for PE buyers) in 2024 from 8.0x in 2022 (the last year with PE EV/EBITDA multiples reported), and decreased for strategic deals to 8.9x from 12.6x in the prior year.

The median EV/Revenue multiple for reported private equity deals decreased to 0.4x in 2024 from 0.9x in 2023, and for strategic deals decreased to 0.7x from 0.9x in the prior year.

Reported EV/EBITDA Multiples











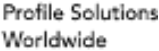

Reported EV/Revenue Multiples



Active Strategic Investors

Investor	2024 T&L Investments	Select Targets
 TRELLEBORG	2	 BARON  magee
AIS	1	 gap
 SILGAN <small>HOLDINGS INC.</small>	1	 WPW <small>innovative packaging</small>





Active Private Equity Investors

Investor	2024 T&L Investments	Select Targets
 Arsenal Capital Partners	4	 Island <small>PLASTICS</small>  <small>Precision colorants for the plastics industry.</small>  POLYWOOD  SPECTRA <small>COLOR CORPORATION</small>
ARDIAN	2	 Seif <small>industrie</small>  Veritas
GAMUT <small>CAPITAL</small>	2	 exelliq  <small>Profile Solutions Worldwide</small>  battenfeld-cincinnati

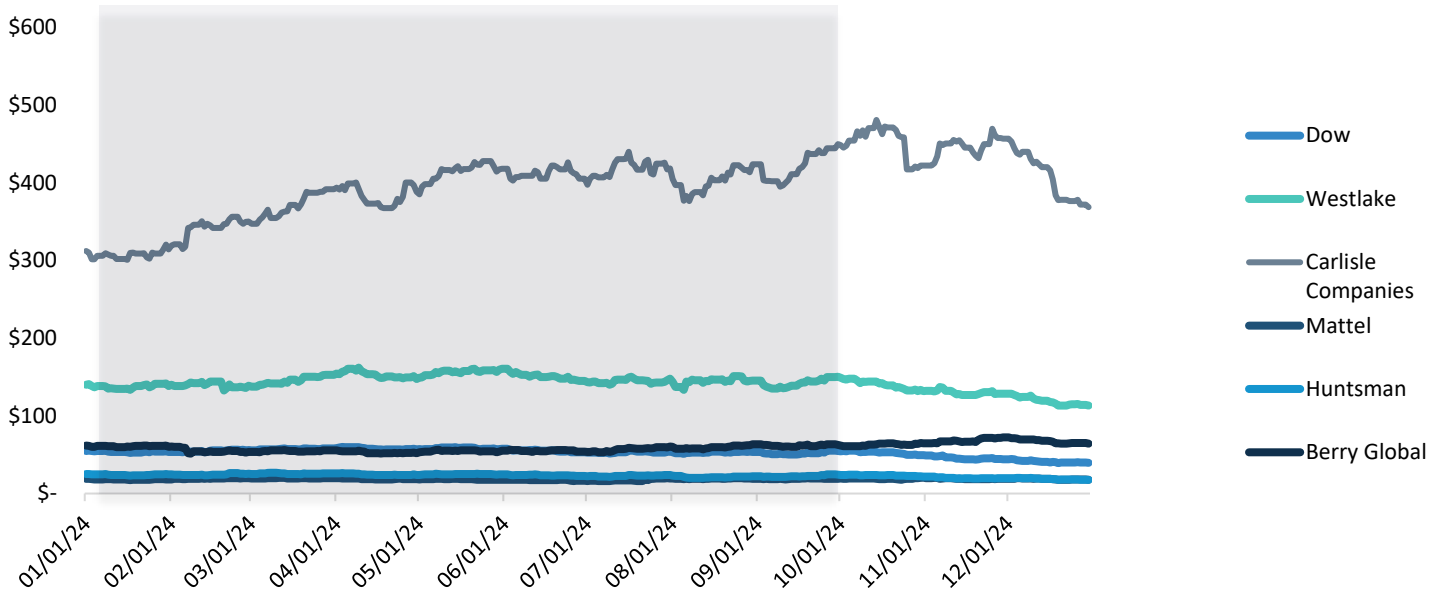
Largest Deals (Disclosed)

Deal Date	Company Name	Investors	Deal Type	Deal Size (\$mm)	EV		Target Business Description
					Revenue	EBITDA	
31-Dec-2024	Bericap North America ¹	Bericap Holding	Merger/Acquisition	\$ 122.0	1.22		Manufacturer of plastic closures based in Burlington, Canada.
09-Dec-2024	PG Electroplast		PIPE	178			Provider for original equipment manufacturers (OEMs) of consumer electronic products.
02-Dec-2024	Piezocryst Advanced Sensorics	Spectris	Merger/Acquisition	142			Manufacturer of high-precision sensors based in Graz, Austria.
01-Dec-2024	Bormioli Pharma	Gerresheimer	Merger/Acquisition	850			Manufacturer of primary packaging products catering to the pharmaceutical sector.
13-Nov-2024	Spartan Mat	Exchange Income	Merger/Acquisition	120			Manufacturer of industrial composite access mats and interlocking mat system for construction projects.
01-Nov-2024	Terphane	Oben Group	Merger/Acquisition	116			Manufacturer of polyester film products intended for application in food, hygiene, cleaning and industrial applications.
31-Oct-2024	Piedmont Resin Supply	Hexpol	Merger/Acquisition	88			Manufacturer of resins intended to serve automotive, transportation and the furniture industries.
29-Oct-2024	Quadpack Industries	Texen	Merger/Acquisition	153			Designer and manufacturer of packaging solutions for the beauty industry.
29-Oct-2024	Tupperware Brands	Alden Global Capital, Stonehill Capital Management	Buyout/LBO	87			Designer of innovative, functional, and environmentally responsible products.
28-Oct-2024	TC Transcontinental	Hood Packaging	Merger/Acquisition	95			Manufacturer of plastic packaging products based in Montreal, Canada.
21-Oct-2024	Deflecto	Acacia Research Corporation	Merger/Acquisition	104			Manufacturer of extruded and molded plastic products for consumer and professional applications.
15-Oct-2024	Weener Plastics Group	Silgan Holdings	Merger/Acquisition	929	1.91x	8.94x	Manufacturer of plastic packaging products intended for the fast-moving consumer goods (FMCG) and pharmaceutical sectors.
04-Oct-2024	Lifecore Biomedical (Pharmaceuticals) (NAS: LFCR)		PIPE	24			Manufacturer of complex sterile injectable pharmaceutical products.
02-Oct-2024	Due Pi Greco	Solidworld Group (MIL: S3D)	Merger/Acquisition	1			Provider of industrial design and 3-dimensional printing services intended to give shape to products in innovative ways.
01-Oct-2024	Cathtek	Eimo Technologies(Gary Hallam)	Merger/Acquisition	18			Manufacturer of disposable medical devices intended to provide products for various diagnostic and testing applications.
Mean				202	1.57x	8.94x	
Median				116	1.57x	8.94x	
High				929	1.91x	8.94x	
Low				1	1.22x	8.94x	

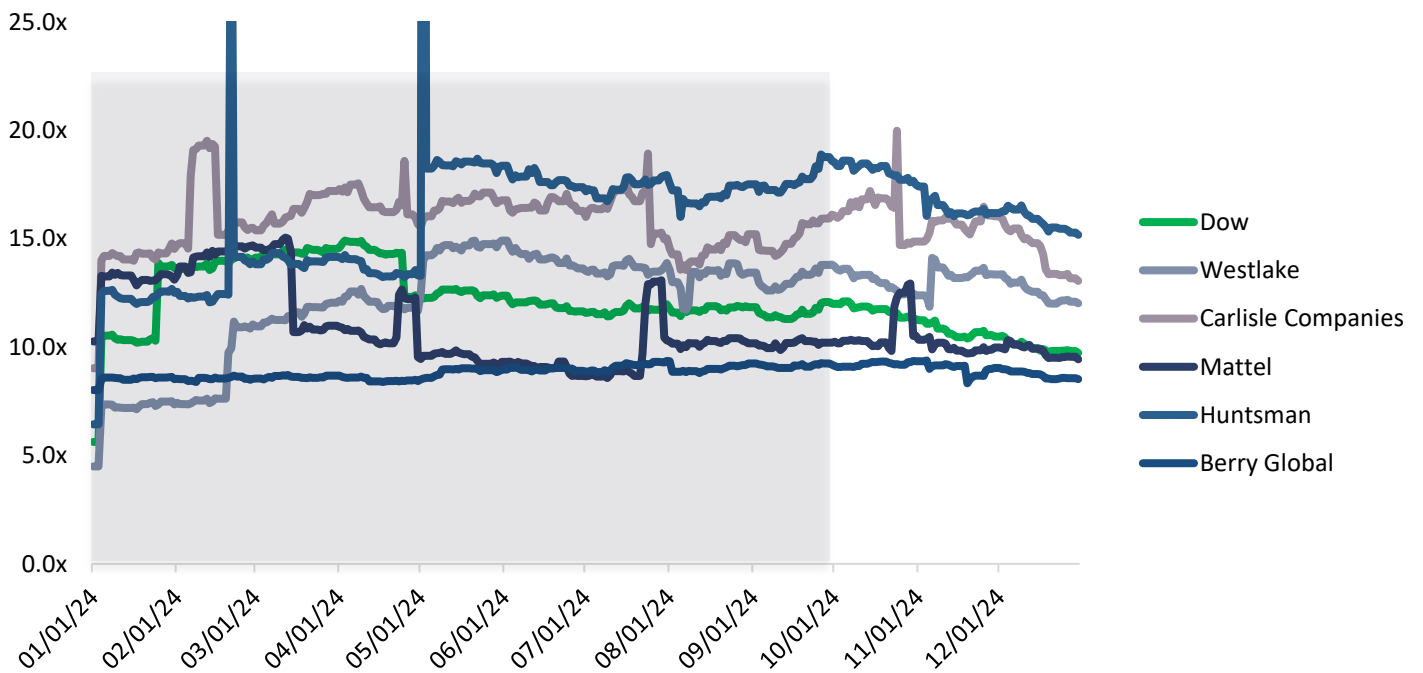
¹ As of December 31, 2024, BERICAP Holding GmbH, a privately owned German company, has acquired full ownership of BERICAP North America ("BCNA") by purchasing the remaining 50% stake from Amcor Rigid Packaging. Prior to this acquisition, BCNA operated as a 50:50 joint venture between BERICAP and Amcor since its establishment in 1997.

Target	Investor	Driver	Deal Synopsis
		Merger/ Acquisition	<p>Weener Plastics Group (“WPG”), a Netherlands-based manufacturer of plastic packaging products for the consumer and pharmaceutical sectors, was acquired by Silgan Holdings (“Silgan”) for \$928.8 million in October 2024. The acquisition expands Silgan’s position in the dispensing and specialty closures markets and broadens their presence in the personal care, food, and healthcare sectors.</p>
		Merger/ Acquisition	<p>In December 2024, Bormioli Pharma (“Bormioli”), an Italian manufacturer of pharmaceutical packaging products, was acquired by Gerresheimer for \$850.0 million. Bormioli’s range of glass and plastic pharmaceutical packaging, along with closure solutions and dispensing systems, aligns seamlessly with Gerresheimer's existing offerings.</p>
		Merger/ Acquisition	<p>Spartan Mat (“Spartan”), an Oregon-based manufacturer of industrial composite access mats and interlocking mat systems for the construction market, was acquired by Exchange Income (“EI”) for \$120.0 million in November 2024. The acquisition diversifies EI’s existing Environmental Access Solutions portfolio by adding Spartan’s FODS Trackout Control System enabling EI to meet a broader range of customer needs across various sectors.</p>
		Merger/ Acquisition	<p>Terphane, a New York-based manufacturer of polyester film products for a variety of food, hygiene, cleaning and industrial applications, was acquired by Oben Group (“Oben”) for \$116.0 million in November 2024. Integrating Terphane's advanced production facilities and international customer base allows Oben to improve service quality and expand its customer base, positioning the company for growth in the competitive flexible films market.</p>

Stock Price

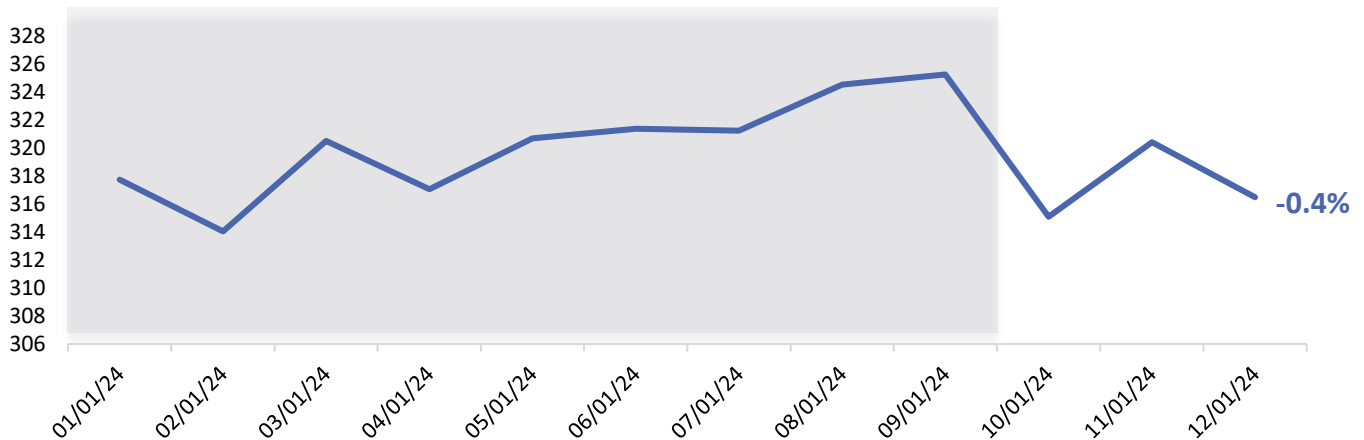


EV/EBTIDA



Index Performance

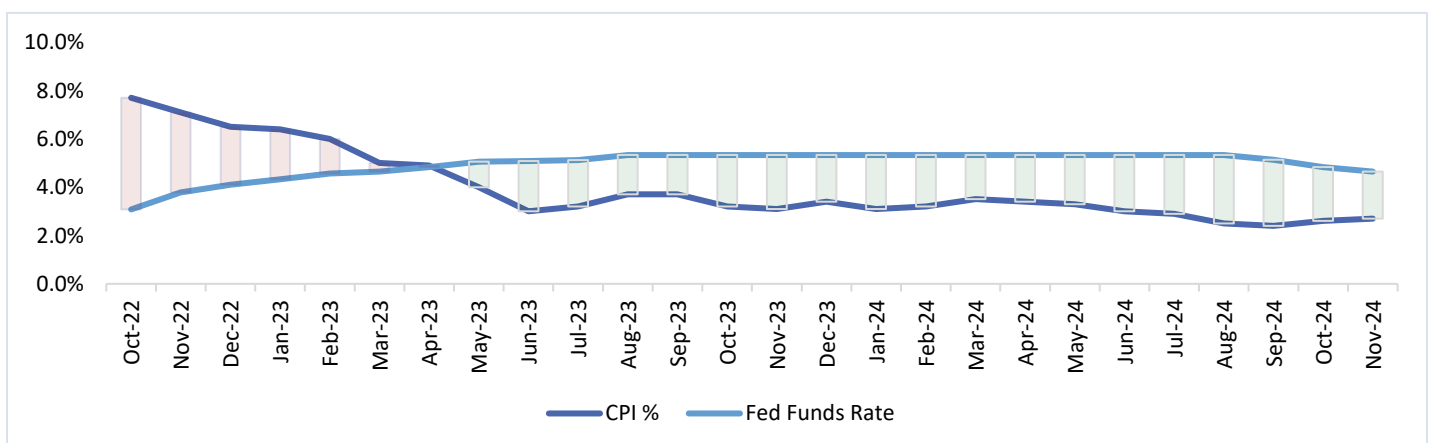
The Producer Price Index (PPI) for Plastics Material and Resin Manufacturing, reported by the Saint Louis Fed, indicates a 0.4% price decrease in Q4.



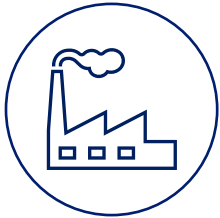
Key External Drivers

Since September 2024, crude oil prices have remained subdued, driven by weakening global demand, particularly in China, rising supply from non-OPEC producers, and policy shifts under the Trump administration aimed at increasing domestic fossil fuel production. This decline has lowered feedstock costs for plastics manufacturers, reducing production expenses and impacting pricing across the industry.

The Federal Reserve's interest rate cuts in 2024 lowered the federal funds rate to a target range of 4.25%–4.50%. While multiple rate cuts were initially expected in 2025, robust job growth in December, with 256,000 jobs added and unemployment falling to 4.1%, has shifted projections toward a more gradual pace of reductions. Current estimates suggest one to two quarter-percentage-point cuts by year-end, bringing the rate to approximately 4.00-4.25%. This measured approach may moderate the reduction in borrowing costs. However, the M&A environment remains favorable for strategic deal-making and effective capital deployment.



Emerging trends in the Plastics space:



Reshoring's Impact on U.S. Plastics Manufacturing

Boosted Efficiency and Capacity Utilization in 2025

Reshoring U.S. manufacturing will allow plastic product manufacturers to be closer to key end-use markets, such as packaging, automotive, consumer goods, and electronics. This proximity will reduce transportation costs, lead times, and logistical bottlenecks. By manufacturing products closer to where they are needed, manufacturers can run plants at higher capacity utilization, as they will be better positioned to meet the growing demand for plastics without relying on long international supply chains.



Regulatory Changes Favoring Plastic Use

Plastic Straws in Federal Agencies Boost Demand

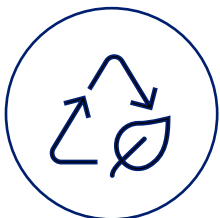
The Trump administration signed an executive order reversing prior policies that sought to phase out single-use plastics, such as straws, citing concerns over the effectiveness of alternatives like paper straws and the economic impact on manufacturers. This reversal is expected to have a significant effect on the demand for plastic products, particularly in federal buildings.



Innovative Molding

New Techniques Make Complex Shapes Possible

New injection molding, blow molding, and thermoforming techniques have advanced the plastics manufacturing process, making more complex shapes and designs viable. These developments are expected to drive increased demand. The plastics market size is estimated to reach \$738 billion by 2030, with a CAGR of 3.8%, due to high demand from end-use industries for lightweight and durable plastics.



Sustainability and Recycling

Refining and Innovating to Meet Eco-Friendly Standards

Innovation has made chemical recycling and depolymerization processes more viable and efficient. However, the industry is still refining existing recycling systems to achieve higher recycling rates. Additionally, companies are increasingly choosing eco-friendly materials to reduce their environmental impact.



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Investment Bankers for the Middle Market

About

R.L. Hulett is a middle-market investment bank based in St. Louis, Missouri, providing M&A and financial advisory services to middle-market companies. Since its founding in 1981, the firm has advised in over 280 transactions in a variety of industries including Plastics, Food & Consumer, packaging, Plastics, Plastics, healthcare and software/tech-enabled services. The firm has an experienced team of M&A advisors consisting of former business owners, seasoned corporate executives, professional service firm partners, CPAs and MBAs. Our ability to deliver customized solutions to meet or exceed our clients' expectations is what sets us apart from our competitors.

Our Clients

\$10 - 250MM
Revenue

\$2 - 20MM
EBITDA

Middle Market
Privately Owned

Industries Served



Plastics



Food &
Consumer



Plastics &
Packaging



Business
Services



Tech-Enabled
Services



Healthcare



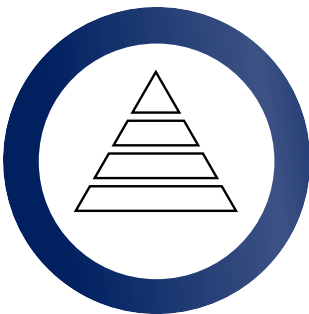
Sell-Side Advisory: Sell your business

Sell your business for the highest price and for the best terms. At R.L Hulett, communicating the value of your business to targeted buyers and finding the best fit for your team is our forte. We strive to maintain your company's culture and heritage even as you transition out of your business.



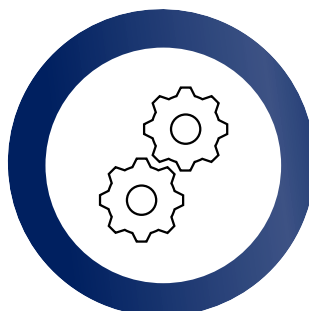
Buy-Side Advisory: Buy a business

Searching for acquisition targets can be a challenging and time-consuming task when trying to run your own business at the same time. Navigating the risks and pitfalls in negotiating valuation and deal structure can also be a daunting task for many business owners. Let our team help you minimize your risk and reduce time wasting efforts with our decades of experience in advising in both buy and sell-side M&A transactions. We utilize industry-leading M&A databases to scout for opportunities and pre-screen for "real" actionable targets so you can stay focused on what matters.



Capital Raise: Gain financial support

With nearly 40 years of experience in middle-market M&A advisory, we know how to package up your deal and put you in front of the right kind of investors who have the capital and the industry expertise you need to grow your business. Our team will develop a go-to-market strategy and advise on deal structure, valuation, due diligence and transition issues. Whether you are seeking capital for growth or trying to buy out other shareholders, we have the tools, expertise, and experience to execute a strategic process and find the optimal outcome to meet your objectives.



Restructuring: reorganization of your business

In today's uncertain economic times, more and more companies are finding themselves in unfamiliar, and unwanted, positions. Many business owners are hoping recovery is just around the corner; however, proactive measures are often required to maximize the remaining value of the business. Our team can aid banking institutions with workout situations by implementing internal controls over cash management and performing on-going cash flow modeling for their clients. We can also help business owners avoid having trouble making payments on their debts and avoid the cumbersome and low-value asset liquidation process.

Below is a recent transaction facilitated by R.L. Hulett, showcasing our expertise in the Plastics Industry. Each transaction exemplifies our commitment to delivering exceptional value and strategic growth for our clients.



The Seller: Based in St. Louis, Missouri and Hong Kong with additional warehouse locations in California and Virginia, Team Three is a leading global distributor of paper, packaging and disposable plastic products to the foodservice industry. Co-founded by Bob Hubbard and Roy Van in 2009 to create a global platform for companies seeking to expand their sourcing options, Team Three has organically grown revenue and income every year since inception and was awarded a global sourcing role with one of the largest foodservice distributors in the U.S.

The Buyer: Headquartered in Exton, PA, AmerCareRoyal (“ACR”) is a single stream resource for over 6,000 disposable products used in the foodservice, janitorial, sanitation, industrial, hospitality and medical industries. With multiple shipping points across North America, ACR’s family of companies service national level customers with outstanding customer service and an ever-growing product line.

Transaction Rationale: With the acquisition of Team Three, ACR is positioned as a leader in their market while also creating a better value proposition for customers.

Over the years, R.L. Hulett has completed hundreds of transactions in a wide variety of industries. Below are several relevant transactions in the Plastics and Packaging sector. Please note that this list is not comprehensive.



has sold substantially all of its assets to



has sold substantially all of its assets to



has been acquired by



has sold substantially all of its assets to



has been acquired by



has been acquired by





R. Trevor Hulett, CPA
Managing Director
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Mr. Hulett has led M&A transactions in a variety of industries including manufacturing/industrial, software development/IT, business services and value-added distribution for over 15 years. Prior to joining the firm, he held senior level accounting and financial management positions in both public accounting and large corporations. Mr. Hulett began his career as a Certified Public Accountant with MPP&W, a St. Louis-based public accounting firm specializing in middle market companies. He then held various management positions in internal audit and corporate accounting with a Fortune 1000 industrial manufacturing company and also spent nine years with Enterprise Rent-A-Car Company as a department manager in the Corporate Accounting group. Mr. Hulett holds his Series 62, 63 and 79 securities registration. Mr. Hulett earned a Bachelor's Degree in Accounting from the University of Missouri, Columbia.



David T. Vass
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Mr. Vass has over 30 years of business management experience including more than 10 years as President of a highly successful consumer products manufacturing company with revenues exceeding \$25 million. During this time, he not only reversed a declining sales and earnings trend, but increased both sales and operating income over 100%. In addition, he has spent over 20 years at the executive level of Vice President of Sales and Business Development. Mr. Vass also has experience in a number of other industry niches including consumer products, commercial furniture and fixtures and metal recycling. He holds a Bachelor's Degree in Economics from DePauw University and an MBA from the University of Michigan.



Christopher Riley
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Mr. Riley has owned, operated, and sold multiple businesses spanning five decades in the technology, fabrication, hospitality, real estate, social media, financial services, automotive, private equity and business services industries. He owns multiple companies, United Cutwater and Cutwater Advisory Partners, that focus on identifying, funding, growing, and exiting businesses at their Optimum Value. Prior to joining the firm, he worked in New York in the investment banking industry for 10 years. He began his career with American Express as an Estate and Tax Planning Specialist. With degrees in Finance and Philosophy and a Master's in Organizational Psychology, Chris was educated at Santa Clara University, the London School of Economics and the Harvard Business School. Chris is Series 79 and Series 63 licensed, has seven board certifications in cyber intelligence, and is a licensed forensic investigator.



Ron Litton
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Mr. Litton has been advising business owners in mergers and acquisitions since 2013. His primary industry focus areas have included industrials, paper and packaging, distribution, energy, promotional products and direct to consumer e-commerce. Prior to 2013, Mr. Litton held a variety of C-level roles with several companies in the paper and packaging industry including Unisource, Maverick Paper, Universal Graphics and Sabin Robbins. He has bought and sold a number of businesses, advised in the sale of family/founder owned businesses, and advised in start-ups and turnaround situations for banks, owners, and private equity firms. He enjoys working with owners that want to sell or transition out of their businesses. Ron covers the Kansas City and surrounding markets for the firm. He graduated from Central Missouri State University with a BS in Graphic Arts Technology and Management.



Ryan Hartman
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Ryan provides analytical support for senior-level deal managers and, as a senior analyst, supervises the preparation of confidential memorandums, financial models and industry research reports. Ryan graduated with a Bachelor of Science degree in Finance from The Freeman School of Business, Tulane University. Prior to joining the firm, Ryan worked as an equity analyst for Burkenroad reports, an equity research program that produces widely circulated financial reports on small- to medium-sized companies. During his time at Tulane University, Ryan was elected as Vice President of Administration for Tulane's community government, took extensive courses in Investment Banking M&A transactions, and volunteered as a data analyst for American Red Cross.



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Lynda Hulett leads the firm's marketing, administrative and communication efforts. She maintains the firm's proprietary CRM database, manages outbound firm communications and provides administrative support to senior deal managers. Prior to joining R.L. Hulett, Lynda spent the previous ten years in various marketing and administrative functions. Most recently, she worked as a client liaison providing administrative support for a CPA firm. Prior to that, she was employed by Moneta Group, a financial services advisory firm, where she provided marketing and administrative support to the client managers. Lynda graduated from the University of Missouri – Columbia, receiving her business degree with an emphasis in Marketing.



Robert L. Hulett
In Memoriam:
1943-2024

Mr. Hulett founded the firm in 1981 and negotiated and completed more than 200 transactions throughout his career. He began his career as a Certified Public Accountant and practiced with Peat, Marwick, Mitchell & Co. in St. Louis as an Audit Manager and in New York as the Director of Training for Private Business. Mr. Hulett also served as Chief Executive & Board Member for various middle market companies. As an educator, he was an adjunct professor at New York University and a tenured faculty member at Lindenwood University in St. Louis. He conducted training sessions for middle market CPA firms throughout the country for more than ten years. Mr. Hulett earned his BS/BA Cum Laude in Accounting from the University of Missouri-Columbia, and an MBA from Lindenwood University.



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