



Plastics Industry M&A Update
Q1 2025

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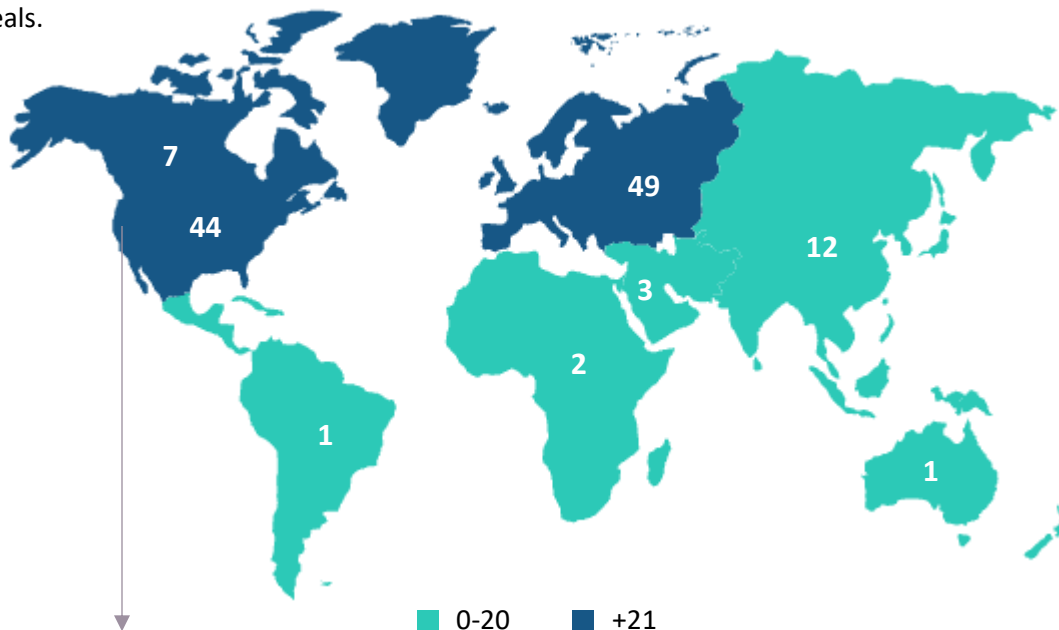
REPORT HIGHLIGHTS

- In Q1, the Producer Price Index (PPI) for Plastics Material and Resin Manufacturing increased 1.1%, driven by tighter supply conditions following a 6.2% drop in U.S. resin production in January.
- The median EV/EBITDA multiple for reported private equity deals in the Plastics sector increased to 8.8x (only one EV/EBITDA multiple was reported for PE buyers) in Q1 from 2.5x in 2024, while no Strategic EV/EBITDA multiples were reported during the period.
- M&A deal volume in the sector decreased 7.8% in Q1 to 119 deals from 129 in Q4 2024, and increased 15.5% from 103 deals in Q1 of the prior year.
- As a % of total capital invested in M&A transactions in the sector, PE participation increased to 27.7% in Q1 from 24.2% in 2024.
- North America was the most active region in Q1 with 51 deals. Most notably in North America was Nippon Paint Holdings' \$4.4 billion acquisition of AOC Resins, a Tennessee-based producer and supplier of resins and specialty materials used in the manufacturing of composite parts, in March 2025.



For more information on R.L. Hulett or this report please visit our website at rlhulett.com, call us at (314) 721-0607, or contact a professional listed on this page.

Of the 119 deals in the Plastics sector in Q1, North America was the most active with 51. A notable North American deal (in addition to the AOC Resins deal mentioned on the previous page) was Arlington Capital Partners' \$165.0 million acquisition of Fiber Materials, a Maine-based developer and manufacturer of composite materials for the defense sector, in January 2025. Europe was the second most active with 49 transactions and all other regions combined for a total of 19 deals.



Canada: 7

United States: 44

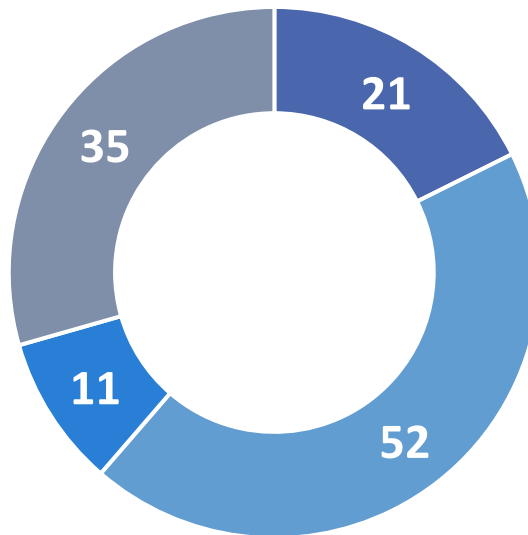
Great Lakes:	16
Southeast:	11
West Coast:	8
Mid Atlantic:	4
Others:	5

In the U.S. market, the Great Lakes region was the most active area with 16 deals, followed by the Southeast and West Coast with 11 and 8 closed transactions, respectively. Most notably in the U.S. was KPS Capital Partners' \$1.8 billion acquisition of Alta Performance Materials, an Ohio-based Manufacturer of composite products for the construction, infrastructure, transportation, marine and energy sectors, in March 2025. The Mid Atlantic region reported 4 deals and all other U.S. regions combined for a total of 5 completed transactions.

In Canada, 7 transactions closed in Q1, including Plastipak Industries' acquisition of R&M Pole Line Products, a Barrie-based manufacturer of plastic components.

Of the 119 Plastics deals in Q1, 52 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 21, followed by Chemicals & Gases with 11 completed transactions. All other subsectors combined for 35 closed deals.

Deal by Subsector



Commercial Products

Containers & Packaging

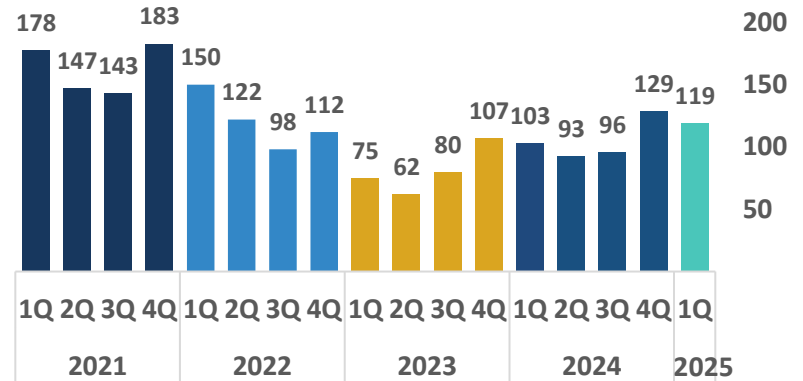
Chemicals & Gases

Others



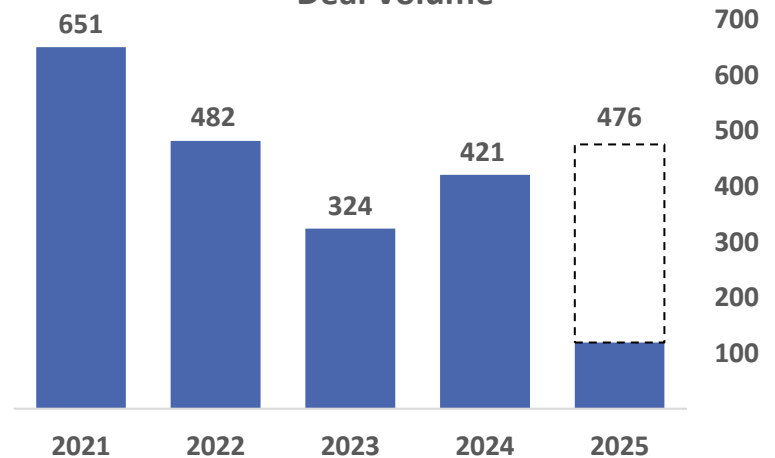
Deal volume in the Plastics sector decreased 7.8% in Q1 to 119 deals from 129 in Q4 2024, and increased 15.5% from 103 deals in Q1 of the prior year. Q1 represents a continuation in the trend of generally increasing quarterly deal volume seen since Q2 2023 and suggests a possible stabilization in the market despite ongoing macroeconomic headwinds such as elevated interest rates, public market volatility, and more recent U.S. tariff policies.

Deal Volume



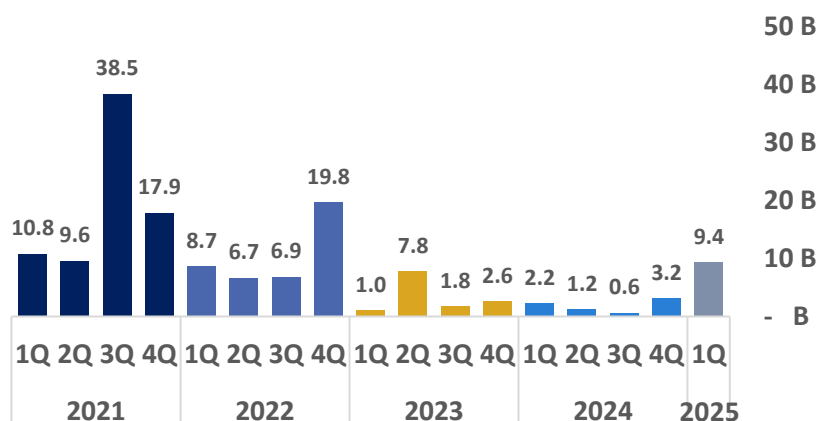
Despite a quarterly decline, annual deal volume is projected to increase 13.1% to 476 deals in 2025 from 421 in 2024. While still well off the highs seen in 2021, we are seeing some stabilization in deal flow with improving economic conditions, stabilizing interest rates, and easing liquidity constraints. As we move further into 2025 and clearer tariff policy emerges, we anticipate increasingly strong M&A activity in the Plastics sector, driven by these favorable market conditions.

Deal Volume



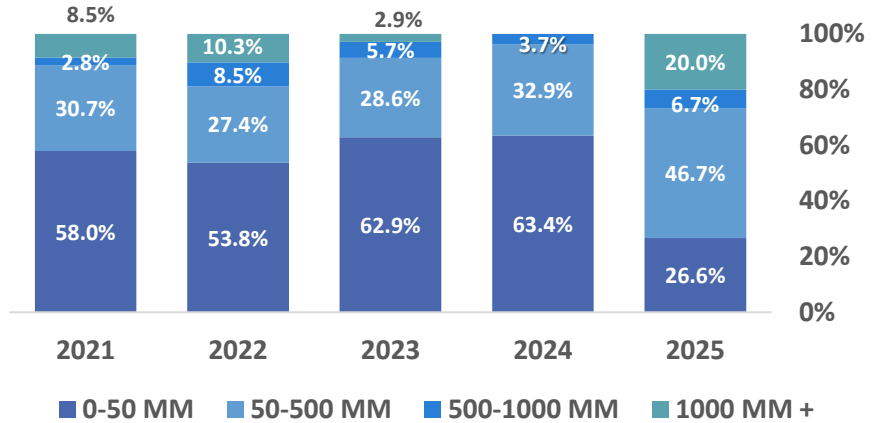
Total capital invested in M&A deals in the sector increased 193.8% in Q1 to \$9.4B from \$3.2B in Q4 2024, and increased 327.3% from \$2.2B in Q1 of the prior year. This increase from last quarter was primarily due to a shift towards larger transactions. The largest transaction in Q1 was Nippon Paint Holdings' \$4.4 billion acquisition of AOC Resins in March 2025. Comparatively, the largest transaction in Q4 was Silgan Holdings \$928.8 million acquisition of Weener Plastics Group in October 2024.

Total Capital Invested



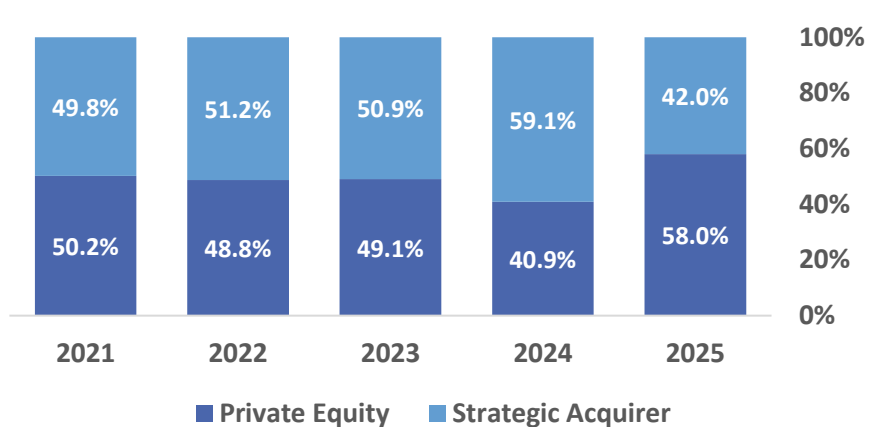
In Q1, we generally saw a shift towards larger-sized deals from the prior year. The upper middle (\$500 - \$1000 MM) and large cap (\$1000 MM+) tranches of the market increased to 6.7% and 20.0% from 3.7% and 0.0% in 2024, respectively. The lower middle market (\$0 - \$50 MM) decreased to 26.6% from 63.4% and the middle market (\$50 - \$500 MM) increased to 46.7% from 32.9% in 2024.

Deal Volume by Deal Size



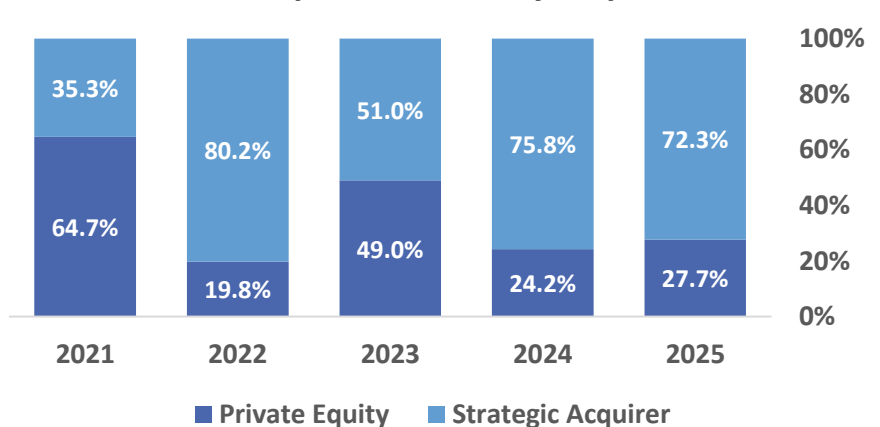
As a % of total deal volume, PE buyers trended higher in 2025 relative to strategic buyers, representing 58.0% of deal volume in the sector compared to 40.9% in 2024. Q1 marks the highest level of participation in the sector (from a volume standpoint) from PE buyers versus strategic buyers over the last five years.

Deal Volume by Acquirer



Total capital invested by PE investors (as a % of overall capital invested) increased in Q1 to 27.7% from 24.2% in 2024. Despite the uptick in Q1, PE participation is still significantly below the 2021 high of 64.7% and is primarily due to sizeable strategic acquisitions in Q1 including Nippon Paint Holdings' \$4.4 billion acquisition of AOC Resins previously mentioned.

Total Capital Invested by Acquirer

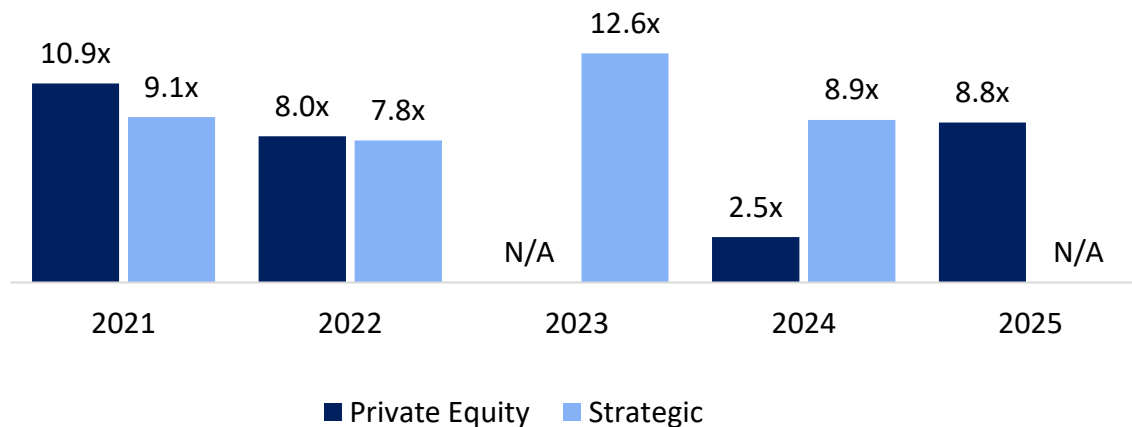


The median EV/EBITDA multiple for reported private equity deals increased to 8.8x (only one EV/EBITDA multiple was reported for PE buyers) in Q1 from 2.5x in 2024, while no strategic EV/EBITDA multiples were reported during the period.

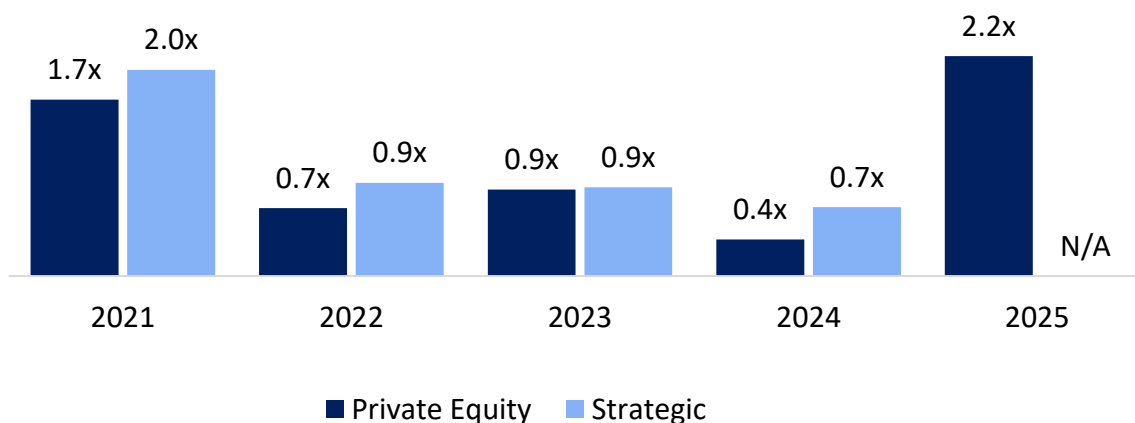
The median EV/Revenue multiple for reported private equity deals increased to 2.2x in Q1 from 0.4x in 2024, while no Strategic EV/Revenue multiples were reported during the period.

Q1 marks the highest reported median EV/Revenue multiple for private equity buyers in the last 5 years.







Reported EV/EBITDA Multiples





Reported EV/Revenue Multiples



Active Strategic Investors

Investor	2025 Plastics Investments	Select Targets
	1	
	1	
	1	

Active Private Equity Investors

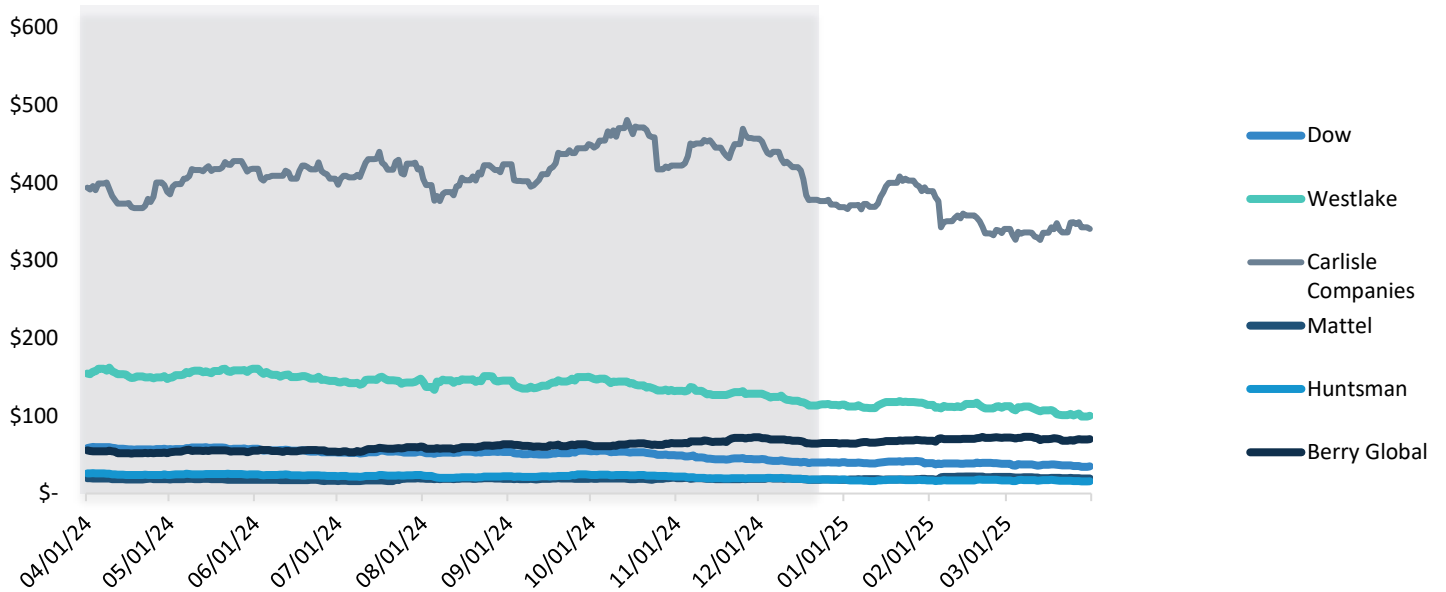
Investor	2025 Plastics Investments	Select Targets
	2	 
	1	
	1	

Largest Deals (Disclosed)

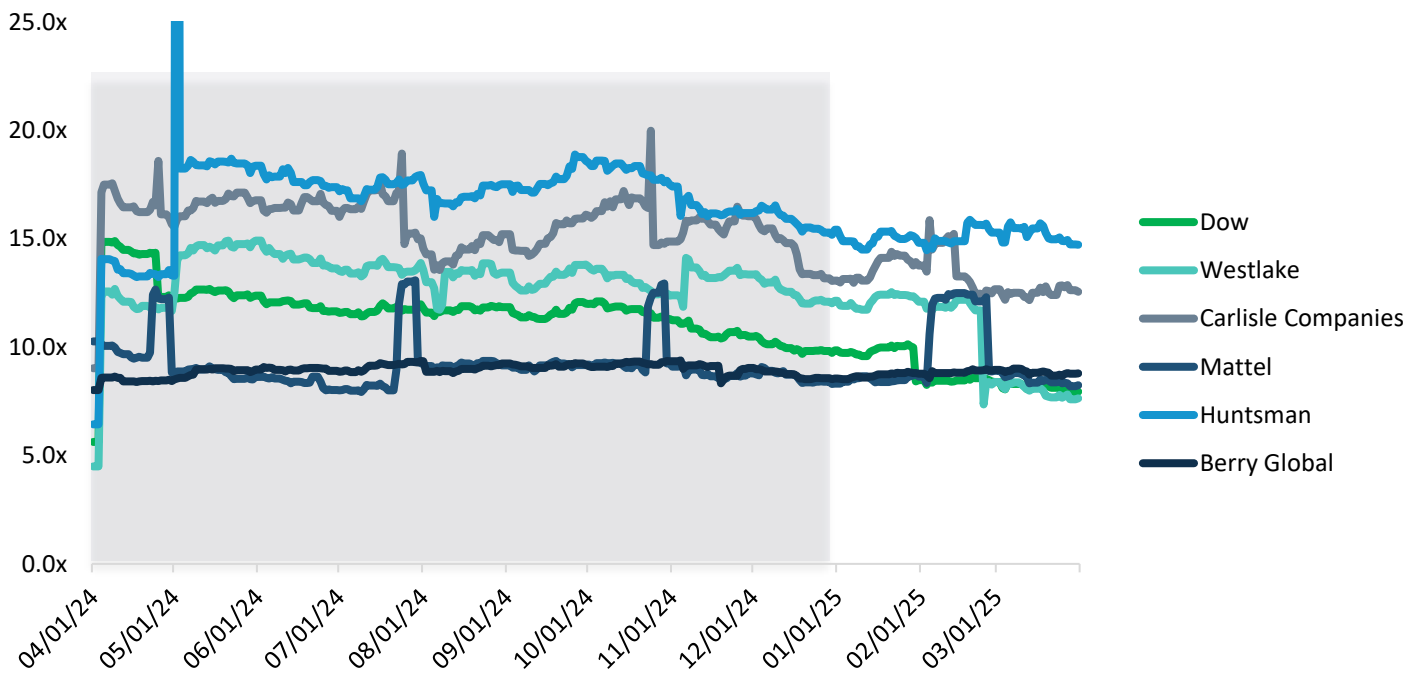
Deal Date	Company Name	Investor	Deal Type	Deal Size (\$mm)	EV		Target Business Description
					Revenue	EBITDA	
31-Mar-2025	Alta Performance Materials	KPS Capital Partners	Buyout/ LBO	\$ 1,836.4	2.1x		Manufacturer of composite products intended to serve construction, infrastructure, transportation, marine and energy sectors.
31-Mar-2025	Milacron Holdings	Bain Capital	Buyout/ LBO	287.0	2.20x	8.79x	Manufacture and distributor of plastic processing equipment.
26-Mar-2025	Uresta	BDC Capital	PE Growth/ Expansion	3.0			Manufacturer of adult incontinence products designed for women.
03-Mar-2025	AOC Resins	Nippon Paint Holdings	Merger/ Acquisition	4,350.0			Producer and supplier of resins and specialty materials used in the manufacturing of composite parts.
03-Mar-2025	Heubach	Sudarshan Chemical Industries	Merger/ Acquisition	132.7			Manufacturer of pigment preparation, dyes and specialty materials intended to offer standardized and customized pigments and pigment preparations.
27-Feb-2025	Hexagon Composites		PIPE	28.1			Hexagon Composites ASA is a supplier of clean energy technology for gas storage, distribution, fuel systems, and drivetrains
17-Feb-2025	Srichakra Polyplast	Action Tesa	PE Growth/ Expansion	9.2			Manufacturer of food grade bottle to bottle recycled products.
03-Feb-2025	Sudarshan Chemical Industries		PIPE	91.6			Sudarshan Chemical Industries Ltd manufactures color and effect pigments.
31-Jan-2025	Stahl Holdings		Merger/ Acquisition	1,407.3			Manufacturer of specialty coatings and treatments designed for coatings and surface treatments of flexible materials.
17-Jan-2025	JELD-WEN	Woodgrain	Merger/ Acquisition	115.0			Manufacturer of wood fiber composite building products based in Towanda, United States.
13-Jan-2025	Fiber Materials	Arlington Capital Partners	Buyout / LBO	165.0			Developer and manufacturer of composite materials intended for the defense sector.
13-Jan-2025	Pravesha	PAG	Buyout/ LBO	162.3			Manufacturer of pharma-focused packaging products based in Raidurg, India.
13-Jan-2025	Sudarshan Chemical Industries	Shamyak Investment	PIPE	22.8			Sudarshan Chemical Industries Ltd manufactures color and effect pigments.
08-Jan-2025	JAI	Luster Inc	Merger/ Acquisition	106.4			Manufacturer of industrial cameras and machine vision cameras.
01-Jan-2025	Merck	Global New Material International Holdings	Merger/ Acquisition	696.6			Manufacturer of commodity chemicals based in Germany.
Mean				627.6	2.2x	8.8x	
Median				132.7	2.2x	8.8x	
High				4,350.0	2.2x	8.8x	
Low				3.0	2.1x	8.8x	

Target	Investor	Driver	Deal Synopsis
		Merger/ Acquisition	<p>AOC Resins, a Tennessee-based producer and supplier of resins and specialty materials used in the manufacturing of composite parts, was acquired by Nippon Paint Holdings for \$4.4 billion in March 2025. This strategic acquisition aligns with Nippon Paint's "Asset Assembler" model, aiming to enhance its global footprint and product offerings in the specialty chemicals sector.</p>
		Buyout/ LBO	<p>In January 2025, Arlington Capital Partners and Tex Tech Industries acquired Fiber Materials, a Maine-based developer and manufacturer of composite materials for the defense sector, for \$165.0 million. The acquisition enhances Tex Tech's capabilities in high-temperature materials and reinforced composites, strengthening its position in the aerospace and defense sectors.</p>
		Buyout/ LBO	<p>Pravesha, an Indian-based manufacturer of pharma-focused packaging products, was acquired by PAG for \$162.2 million in January 2025. By investing in Pravesha, PAG gains exposure to the pharmaceutical packaging supply chain, leveraging India's strong manufacturing base, favorable regulatory environment, and growing export market, positioning itself to benefit from the sector's double-digit growth prospects.</p>
		Merger/ Acquisition	<p>Heubach, a German-based manufacturer of pigments, dyes and specialty materials, was acquired by Sudarshan Chemical Industries ("SCI") for \$132.7 million in March 2025. The acquisition of Heubach expands SCI's global footprint to 19 sites across key regions while enhancing its pigment portfolio through the integration of Heubach's technological capabilities, strengthening SCI's position as a diversified global industry leader.</p>

Stock Price

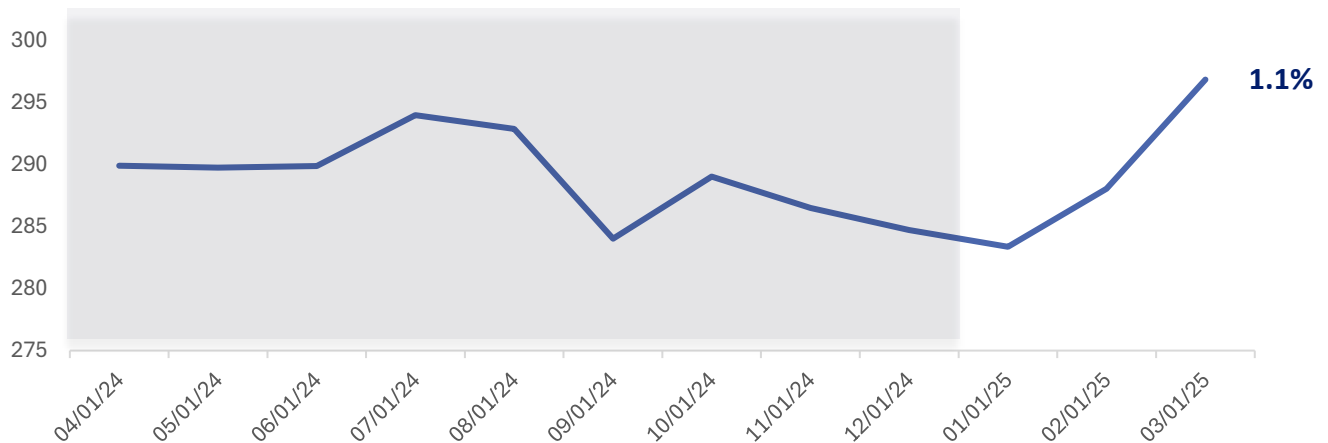


EV/EBTIDA



Index Performance

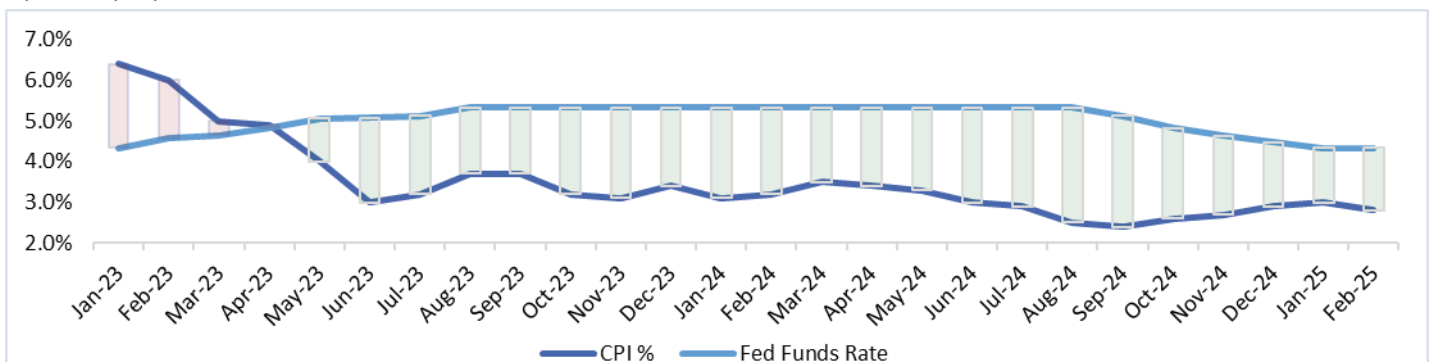
In Q1, the Producer Price Index (PPI) for Plastics Material and Resin Manufacturing increased 1.1%, driven by tighter supply conditions following a 6.2% drop in U.S. resin production in January.



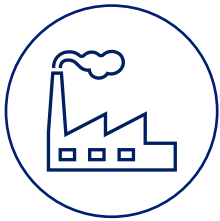
Key External Drivers

In Q1 2025, crude oil prices remained subdued, driven by continued soft global demand, particularly modest growth in China’s fuel consumption, rising output from non-OPEC producers such as the U.S., Canada, and Brazil, and regulatory rollbacks under the Trump administration aimed at accelerating domestic energy production. As a result, feedstock costs for plastics manufacturers have remained low, sustaining reduced production expenses and exerting downward pressure on pricing across the industry.

In March 2025, the Federal Reserve left the federal funds rate unchanged, maintaining its target range of 4.25%–4.50%, as expected. The central bank reaffirmed its forecast for two quarter-percentage-point cuts later in the year, following three rate reductions in 2024 due to slowing inflation. Despite this cautious stance, looming tariffs could reignite price growth and hinder economic expansion. The Fed also revised its forecast for U.S. gross domestic product (GDP) growth down to 1.7%, a decrease from the 2.1% growth rate projected in December. This strategy reflects the Fed’s ongoing efforts to balance inflation control with sustaining economic momentum amid challenges, including the threat of higher tariffs. While market volatility remains, the M&A environment continues to be favorable for strategic deal-making and capital deployment.



Emerging trends in the Plastics space:



Navigating Regulatory Changes

Adapting to stricter regulations in the plastic packaging industry

Regulatory compliance remains a top priority for distributors in the plastic packaging market. Governments worldwide are introducing stricter regulations to curb plastic waste and promote circular economies. Distributors must stay informed and proactively adjust their practices to ensure compliance and contribute to a more sustainable future.



Resin Prices Rebounding

Understanding the forces impacting plastic pricing

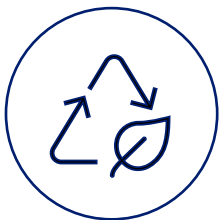
Polyethylene and polypropylene resin prices fell in the last half of 2024, hitting a bottom in December before starting to rebound in Q1 2025. Geopolitical events, oil prices, energy policy, the Trump tariffs, and overcapacity are all key factors impacting pricing moving forward in 2025.



Lightweighting

Optimizing plastic packaging for durability and efficiency

Reducing the amount of plastic used in packaging is a key trend. Lightweight designs save on material costs and minimize environmental impact. For distributors, this means staying ahead by offering packaging solutions that balance durability with reduced material use.



Biodegradable Plastics

Rising alternatives in the plastic space

Materials that break down naturally are no longer a niche offering. They are becoming mainstream, driven by innovations that enhance their performance and reduce costs. For example, polylactic acid (PLA) and polyhydroxyalkanoates (PHA) are gaining traction as alternatives to traditional plastics. Plastic manufacturers and molders are moving away from traditional materials as inputs to these more sustainable alternatives like PLA and PHA to produce environmentally friendly plastic components.



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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



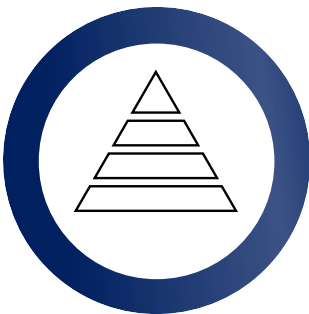
Sell-Side Advisory: Sell your business

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.



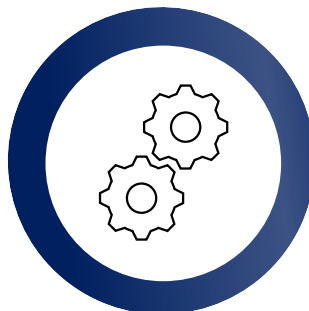
Buy-Side Advisory: Buy a business

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 sector. 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
Director
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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
Director
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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
Senior Analyst
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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.



Lynda Hulett
Marketing
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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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