PMCF Transaction Announcements

ABOUT PMCF

P&M Corporate Finance (“PMCF”) is an investment banking firm, focused exclusively on middle market transactions, with professionals in Chicago, Detroit, and across the globe through Corporate Finance International associates. Our dedicated Plastics and Packaging Group has deep industry knowledge and covers a wide range of processes including thermoforming, sheet and film extrusion, blow molding, injection molding, and resin and color compounding. Offering a breadth of advisory services, the Plastics and Packaging Group has helped clients worldwide meet their sale, acquisition, financing, and strategic growth objectives.

INVESTMENT BANKING SERVICES:

- Mergers & Acquisitions
- Sales & Divestitures
- Strategic Assessments
- Capital Raising
- Sale Planning

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- 15+ Years of M&A Advisory Experience
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- Has Led Successful Completion of More Than 20 Transactions in Plastics and Packaging Over the Last 5 Years
- Authored Over 25 Industry M&A Reports and a Frequent Speaker at Trade Conferences
- Network Includes Executive Contacts with Strategic and Private Equity Groups in Packaging

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- Successfully Completed Transactions in Rigid & Flexible Plastic Packaging, Corrugated Packaging, Raw Materials, and Engineered Components
- Conducts In-Depth Research on Packaging Market M&A and Industry Growth Trends
2015 Market Summary & Outlook

In 2015 plastics and packaging market factors of note included steady demand, favorable input costs, high levels of available debt (at low interest rates), strong corporate balance sheets, and an oversupply of aggressive strategic and private equity acquirers.

These drivers supported very healthy plastics and packaging transaction volume in 2015, down only slightly versus 2014, as the number of deals completed in 2015 trended closer to 2013 levels. Plastics and packaging transactions totaled 328 in 2015 versus a total of 346 in 2014.

Key 2015 plastics and packaging M&A trends included the following:

- U.S. buyers completed roughly 20 fewer plastics and packaging transactions in 2015 compared with 2014 levels, offset by increasing deal volume among foreign buyers in the U.S. and abroad
- The proportion of total plastics and packaging transactions completed by financial buyers was nearly 40% in 2015, up from 32% in 2014 as private equity remains very aggressive
- Transaction mix fluctuated in 2015 as the rigid and flexible packaging segments combined for 31% of total transactions, an 8% increase. Conversely, custom molding and building products combined for just 26% of 2015 deals, an 11% decline
- Publicly traded plastics and packaging businesses remained at elevated valuations, but EV/EBITDA values peaked mid year and declined in the second half

Key transactions for the quarter included the following:

- $130 billion dollar merger between DuPont (NYSE:DD) and The Dow Chemical Company (NYSE:DOW)
- Newell Rubbermaid Inc.’s (NYSE:NWL) acquisition of Jarden Corp (NYSE:JAH) for $15 billion
- Solvay SA’s (ENXTBR:SOLB) acquisition of competitor Cytec Industries (NYSE:CYT) for approximately $6.4 billion
- KIRKBI A/S and The Blackstone Group L.P.’s (NYSE:BX) acquisition of Armacell GmbH for $1 billion
- RPC Group’s (LSE:RPC) acquisition of European injection molded packaging business Global Closure Systems for $715 million

2015’s robust activity levels reflect a strong M&A environment for plastics and packaging and what is generally agreed to be a “seller’s market.” We’ve received numerous inquiries as to whether the M&A market has peaked and when we believe it will start to decline. Our current view is plastics and packaging M&A will remain active in 2016, despite potential economic and political headwinds, given the sector’s historical resilience and the continued fragmentation among the supply base. However, our outlook for 2017 is less certain and we currently expect some contraction in M&A given the length of the current, robust cycle.

### Key Transactions

- Newell Rubbermaid Inc.’s (NYSE:NWL) acquisition of Jarden Corp (NYSE:JAH) for $15 billion
- Solvay SA’s (ENXTBR:SOLB) acquisition of competitor Cytec Industries (NYSE:CYT) for approximately $6.4 billion
- KIRKBI A/S and The Blackstone Group L.P.’s (NYSE:BX) acquisition of Armacell GmbH for $1 billion
- RPC Group’s (LSE:RPC) acquisition of European injection molded packaging business Global Closure Systems for $715 million

### Charts

**Transactions by Buyer Type**

**Transactions by Product Segment**

**2014**

- Custom Molding 28%
- Flexible Packaging 9%
- Rigid Packaging 14%
- Resin 18%
- Industrial 14%
- Bottles 5%
- Closures 1%
- Consumer Products 1%
- Building Products 9%

**2015**

- Custom Molding 16%
- Flexible Packaging 15%
- Rigid Packaging 4%
- Resin 20%
- Industrial 15%
- Bottles 6%
- Closures 4%
- Consumer Products 5%
- Building Products 1%

Source: P&M Corporate Finance, Company Reports, Bloomberg, Capital IQ
Newell Rubbermaid (NYSE: NWL) has acquired Jarden Corporation (NYSE: JAH) for approximately $15 billion. The combined entity is expected to generate $16 billion in annual sales and $3 billion in EBITDA. Both companies have a significant presence in plastic packaging and are focused on branded consumer products. Cost savings resulting from the deal are expected to reach approximately $500 million over the next four years. Notable Jarden packaging subsidiaries include Yorker Packaging, a manufacturer of injection molded specialty caps and closures, and WNA Inc., a leading producer of thermoformed foodservice packaging.

Plastic packaging consolidator RPC Group plc (LSE:RPC) has acquired Global Closure Systems (GCS) from French investment firm PAI Partners. GCS was formed in 2005 when PAI Partners acquired the beverage and specialty closures business of Crown Holdings Inc. The deal, which will combine two European leaders in rigid packaging, is valued at approximately $715 million. The GCS acquisition will enhance RPC’s existing closures business and bolster the company’s global rigid packaging platform. RPC is expecting annual synergies from the deal to exceed $15 million, mostly resulting from improved resin purchasing capabilities.

Global plastic packaging transaction volume experienced strong growth in 2015, up by 23% versus 2014 levels, driven by active strategic buyers. Rigid packaging experienced the highest percentage growth among packaging types in 2015, growing by 21 deals year over year, and representing 42% of total deals completed in plastic packaging. Packaging manufacturers focused on Food & Beverage, Consumer, and Medical end markets remained attractive acquisition targets for both strategic and financial buyers in 2015, with all three end markets exceeding 2014 transaction totals.

Packaging by Buyer Type

Global Plastic Packaging M&A

TRENDS IN M&A

- Global plastic packaging transaction volume experienced strong growth in 2015, up by 23% versus 2014 levels, driven by active strategic buyers.
- Rigid packaging experienced the highest percentage growth among packaging types in 2015, growing by 21 deals year over year, and representing 42% of total deals completed in plastic packaging.
- Packaging manufacturers focused on Food & Beverage, Consumer, and Medical end markets remained attractive acquisition targets for both strategic and financial buyers in 2015, with all three end markets exceeding 2014 transaction totals.

FEATURED SECTOR TRANSACTIONS

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Sources: P&M Corporate Finance, Plastics News, Company Reports, Bloomberg

Packaging Transaction Detail

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<tr>
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<th>2014</th>
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<tr>
<td>Rigid</td>
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Source: P&M Corporate Finance, Plastics News, Company Reports, Bloomberg
Global Injection Molding M&A

TRENDS IN M&A

- Injection molding transaction volume reached 102 deals in 2015, up 7% versus 2014, as the number of transactions involving injection molders surpassed the 100 annual deals watermark for the fourth time since 2010
- Financial buyers significantly grew their investments in injection molding by 52% year over year, completing 14 more Injection Molding transactions in 2015 versus 2014 levels
- Transaction volumes by end market were up across 5 of 8 segments in 2015, while the number of deals involving automotive injection molders declined by 9 deals year over year

FEATURED SECTOR TRANSACTIONS

October 2015 – Amcor Limited (ASX:AMC), a global leader in rigid plastic packaging, has acquired Encon, Inc. for approximately $55 million. Encon, also known as Eco-Groupe Inc., produces injection molded PET preforms primarily for the beverage industry. The Dayton, Ohio-based company has annual sales of approximately $110 million. The acquisition will add significant production capacity and technology assets to Amcor’s existing preform manufacturing operation. Encon’s attractive portfolio of technology includes the innovative Viper modular molding system and Eco-Pod mobile manufacturing technology. PMCF served as the exclusive financial advisor to Amcor.

December 2015 – PSB Industries (ENXTPA:PSB), a leading manufacturer of cosmetic packaging based in France, announced that it has agreed to acquire Topline Products Company. Topline Products, which is headquartered in Wayne, New Jersey, manufactures innovative beauty packaging and supplies for clients worldwide. The Topline deal is PSB’s second recent acquisition of a US-based cosmetic packaging manufacturer, as the company continues to bolster its North American footprint via acquisitive growth. PSB acquired New York-based C+N Packaging in July 2014. Following the Topline acquisition, PSB will have five manufacturing facilities in North America, with three located in the United States and two in Mexico.

Sources: P&M Corporate Finance, Plastics News, Company Reports
Global Film M&A

**TRENDS IN M&A**

- Transactions involving film extruders and converters were down by 6 deals in 2015, versus 2014, as both financial and strategic buyers completed slightly fewer deals within the sector.
- Buyer type transaction mix in the film segment shifted in 2015, as public acquirers represented a greater share of strategic acquisitions, driving a 6% year over year increase in the proportion of deals completed by strategic buyers.
- Cross-border film M&A featured a declining number of foreign buyers acquiring U.S. targets, down by 50% in 2015 compared to 2014, while overseas buying by U.S.-based processors was also down.

**FEATURED SECTOR TRANSACTIONS**


**December 2015** – ProAmpac LLC, a leading flexible packaging platform owned by Wellspring Capital Management, has acquired Coating Excellence International (CEI) from investment firm Mason Wells. CEI, which has over 900,000 square feet of manufacturing space at its two Wisconsin facilities, produces a range of flexible packaging products and woven poly bags. ProAmpac, which is the result of a recent merger between large industry players Prolamina and Ampac, will add capacity and expand its share of the US flexible packaging market via the acquisition. CEI, which has annual sales of approximately $250 million, is the first acquisition for ProAmpac since being formed in the August 2015 merger.

**TRANSACTIONS BY END MARKET**

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<thead>
<tr>
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**BUYER TYPE**

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**SECTOR DEAL STATISTICS**

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Sources: P&M Corporate Finance, Plastics News, Company Reports
Global Resin and Color & Compounding M&A

TRENDS IN M&A

• Transactions involving resin suppliers and color & compounders were down 25% year-over-year following a multi-year high point for segment M&A activity in 2014

• Resin suppliers accounted for 70% of transaction mix in 2015 versus color and compounding deals, a 10% increase in their proportion of total deal volume versus the comparison period

• The declining number of domestic transactions involving the sale of U.S. resin suppliers and color & compounders was a significant driver of the overall decrease in deal volume, falling by 11 deals in 2015 compared to 2014 levels and reflecting in part the higher level of consolidation in North America

FEATURED SECTOR TRANSACTIONS

October 2015 – Belgium-based Solvay SA (EBR: SOLB), a leading supplier of materials to plastics industry, has acquired the long-fiber thermoplastics (LFT) business and technology of Epic Polymers GmbH. Epic Polymers is a German manufacturer of engineered thermoplastics for a variety of industrial applications. The acquisition of Epic Polymers’ LFT business will strengthen Solvay’s position in thermoplastics and support the company’s plan to expand its structural lightweighting capabilities. Epic’s LFT are progressively replacing metal structural components in both automotive and aerospace end markets. The LFT technology will complement Solvay’s multi-billion dollar July 2015 acquisition of composites resin supplier Cytec Industries, as the company actively expands its composites and lightweight resin systems business. Solvay generated $10.6 billion in sales during 2014.

December 2015 – Chemline, Inc. has acquired California-based T.A. Davies Company, a producer of specialty polyurethane resins. T.A. Davies provides a range of polyurethane systems and custom formulations suitable for open casting, rotomolding and machine dispensing. The acquisition, which is a first for St. Louis, Missouri-based Chemline, will provide additional capacity and complementary product lines for the company’s rapidly growing polyurethane business. The T.A. Davies acquisition also adds a West Coast manufacturing facility to Chemline’s growing footprint.

Sources: P&M Corporate Finance, Plastics News, Company Reports
Global Sheet and Thermoforming M&A

TRENDS IN M&A

- Sheet and thermoforming transactions were up by 7 deals in 2015, an increase of 30% compared to 2014, as deal volume tracked more toward historical levels following an abnormally low 2014.

- Food & Beverage deals represented the greatest proportion of transaction mix in 2015, as the number of transactions involving sheet and thermoforming businesses focused on the food & beverage end market doubled year over year.

- Foreign sheet and thermoforming deals represented more than 70% of total transaction volume in 2015, reflecting buyers’ overseas focus given the high levels of consolidation within the US market.

FEATURED SECTOR TRANSACTIONS

November 2015 – TEQ Packaging, a subsidiary of publicly tradedESCO Technologies (NYSE:ESE), has acquired Indiana-based thermoformer Fremont Plastics. Fremont produces thermoformed medical disposables for the surgical suite including light handle covers and tray packaging for instruments. The acquisition of Fremont expands TEQ’s medical thermoforming capabilities and provides a range of new product applications. Fremont has two state of the art clean rooms and runs six thermoforming lines which add significant capacity to TEQ’s growing thermoforming operation. PMCF served as the exclusive financial advisor to Fremont.

November 2015 – Group Guilllin (ENXTPA:ALGIL), a leading European producer of thermoformed trays and packaging to the food industry, has acquired Kreis Pack. Poland-based Kreis Pack manufactures and distributes a variety of thermoformed and injection molded disposable plastic food packaging products. Kreis Pack’s products include containers, cups, lids, and trays. The acquisition, which is Group Guilllin’s first since 2010, aligns with the company’s strategic initiative to increase its Polish presence and expand its portfolio of food packaging products. Group Guilllin generated more than $558 million in annual sales for 2015.

Sources: P&M Corporate Finance, Plastics News, Company Reports
Global Blow Molding M&A

TRENDS IN M&A

- Blow molding M&A activity recorded a third year of healthy, but flat activity in 2015, with sector deal volume down by one deal compared to 2014.
- Transactions by end market shifted in 2015, despite flat overall growth, as both industrial and consumer end markets saw increased deal flow. Conversely food & beverage transactions fell by 38%.
- Publicly traded strategic buyers were more acquisitive in 2015 relative to 2014, driving a 7% increase in the proportion of total blow molding deals completed by strategic buyers year over year.

FEATURED SECTOR TRANSACTIONS

October 2015 – Carr Management, Inc., a portfolio company of investment firm Behrman Capital, completed an acquisition of Massachusetts-based Hillside Plastics, Inc. Hillside is a producer of blow molded containers, including the proprietary Sugarhill Pure Maple Syrup jug product line. Carr Management, headquartered in Nashua, New Hampshire, is a specialized manufacturer of blow-molded, HDPE bottles for the dairy, water, food, industrial, and nutraceutical industries. The Hillside deal, which is Carr Management’s first acquisition since partnering with Behrman Capital in October 2014, will add highly complementary product lines and manufacturing capabilities to Carr’s current platform. PMCF served as the exclusive financial advisor to Hillside.

October 2015 – Consolidated Container Co. (CCC), a leading plastic packaging platform backed by Bain Capital, has acquired the assets of Precision Plastics Inc. Precision Plastics is based in Chippewa Falls, WI and primarily produces HDPE containers for the dairy industry. The Precision Plastics deal adds a Wisconsin production facility for CCC, filling a gap in the company’s US manufacturing footprint, and providing CCC with its 55th rigid packaging manufacturing plant.

TRANSACTIONS BY END MARKET

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BUYER TYPE

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SECTOR DEAL STATISTICS

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Sources: P&M Corporate Finance, Plastics News, Company Reports
**TRENDS IN M&A**

- M&A activity in 2015 involving specialty plastic process types, including rotational molding, foam, pipe & tube, profile extrusion, and composites, declined by 7 deals, or 10% year over year.
- Mix between financial and strategic buyers shifted in 2015 as M&A activity among financial buyers rose significantly, accounting for 44% of specialty M&A volume versus 24% in 2014.
- Industrial and construction remained the most active end markets for transactions in the specialty segment, despite a 41% year over year decline in the number of construction deals.

**FEATURED SECTOR TRANSACTIONS**

**Foam**

**November 2015** – Investment firm Charterhouse Capital Partners’ portfolio company Armacell S.A. has been acquired by private equity investors Blackstone (NYSE:BX) and Kirkbi A/S. German-based Armacell is a leading manufacturer of flexible insulation foams for mechanical equipment. Armacell’s two main business segments include specialized foam insulation and light engineered foams. The company’s end market applications include commercial, residential, construction, industrial, oil & gas, and automotive. Armacell currently operates in Europe, the Middle East, India, Asia, North America and South America. Armacell will use Blackstone’s significant capital resources and expertise to expand their international footprint and guide the company through its next phase of strategic growth. Armacell generated more than $500 million of sales in 2014.

**December 2015** – Foam manufacturer PFB Corporation (TSX: PFB) has acquired Poly Foam Inc. via its subsidiary Plasti-Fab. Poly Foam produces a variety of foam applications including roofing insulation, protective packaging and flotation. PFB is a vertically integrated manufacturer of insulating products. PFB’s energy efficient foam products use polystyrene technology in residential and commercial structures. PFB will add additional capacity for its insulation products business while maintaining Poly Foam’s injection and foam molded plastics operation at the Minnesota facility. Canada-based PFB will use the Poly Foam acquisition to bolster its US presence and expand its presence in the regional building material market.

**Fabrication**

**October 2015** – Plastic parts fabricator and distributor National Plastics & Seals has acquired Innovative Acrylic Design (IAD). IAD manufactures custom plastic point-of-purchase displays and chambers for a variety of end market applications. Following the acquisition National Plastics consolidated the manufacturing operation of IAD into its Schaumberg, IL-based production facility. IAD adds laser cutting and engraving capabilities for National Plastics’, which bolsters the company’s custom plastic design and prototyping capabilities. National Plastics retained IAD’s brand name and management team following the acquisition.

**Source:** P&M Corporate Finance, Plastics News, Company Reports
Publicly traded plastics and packaging companies experienced declining EV/EBITDA valuations in the second half of 2015 following a valuation high point in the second quarter of the year. Plastics companies tracked in the PMCF Plastics & Packaging Index slightly outperformed the S&P 500 at the closing of Q4 2015, despite being below or in parity with the S&P 500 index through most of the fourth quarter of the year.

U.S. private equity activity declined in terms of both deal volume and capital invested, despite high levels of uninvested capital, as the supply of quality acquisition targets has dwindled after years of sustained activity.

U.S. middle market M&A activity was relatively flat in 2015, compared to 2014, with both total deal volume and total transaction value down slightly.

*Includes all disclosed transactions with at least one U.S. party
Sources: Capital IQ, Pitchbook, and PMCF Estimates

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<table>
<thead>
<tr>
<th>PMCF PLASTICS &amp; PACKAGING INDEX VALUATION</th>
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<tr>
<td><strong>Revenue Multiple</strong></td>
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<td><strong>EBITDA Multiple</strong></td>
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<tr>
<td>Average</td>
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<td>Median</td>
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- U.S. M&A activity declined in terms of both deal volume and capital invested, despite high levels of uninvested capital, as the supply of quality acquisition targets has dwindled after years of sustained activity.
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