



INDUSTRIALS: PLASTICS AND RUBBER

- Following a significant slowdown in deal volume for much of 2020, the pace of M&A has picked up in the last few months as strategic acquirers begin to use their cash to pursue inorganic growth.
- Businesses with significant oil and gas end-market exposure will see a strengthening trend and increasing backlog as the industry recovers in 2021.
- For most privately held companies, M&A multiples have not changed, but lower EBITDA levels create a scenario where enterprise values do not meet seller expectations.
- The Purchasing Managers' Index (PMI) has shown a notable increase since April 2020, indicating a strong outlook for the manufacturing and industrials sector in 2021.
- Our expectation is that valuations for private companies in the middle market will remain at current levels as the demand continues to outmatch supply. The post-pandemic recovery may influence varying rates of M&A and economic activity by region, however we do not anticipate degradation in valuations in the near-term.

RECENT TRANSACTIONS (SELECTED)

Target	Date	Buyers / Investors	Region	Strategic / Financial
Recycling Business of NKT A/S	Jan 15	KMT Kabel Danmark A/S	Europe	Strategic
Pla Matels Corporation	Jan 14	Sojitz Pla-Net Corporation	APAC	Strategic
Go-Pak UK Limited	Jan 13	SCGP Solutions (Singapore) Pte. Ltd.	APAC	Strategic
Torson Kunststofftechnik AG	Jan 12	Injex AG	Europe	Strategic
Diversified Manufacturing Technologies, Inc.	Jan 11	Roembke Mfg. & Design, INC.	US	Strategic
R F Clarke Ltd.	Jan 8	YongLI Europe B.V.	Europe	Strategic
Alterra Energy LLC	Jan 4	Neste Oyj	Europe	Strategic
Dadu Holdings Co., Ltd.	Dec 30	SHINTO Holdings, Inc.	APAC	Strategic
Assets of Re-Poly LLC	Dec 29	GP-Plastics Holdings LLC	US	Financial-Backed Strategic
7AC Technologies Inc.	Nov 23	Emerson Electric Co.	US	Strategic
Formtechnik I Gislaved Ab	Nov 11	Soderbergforetagen J AB	Europe	Strategic
Empire Plastics, Inc.	Sep 30	Piedmont Plastics, Inc.	US	Strategic
Ereplast SASU	Sep 11	Benvic Europe SAS	Europe	Strategic
acpo, ltd.	Jan 4	Avery Dennison Corporation	US	Strategic
Tivaco Sa	Dec 7	LyondellBasell Industries N.V.	Europe	Strategic
Color and Additive Masterbatches Business of Clariant	Jul 1	Avient Corporation	US	Strategic
Bemis Argentina S.A.U.	Jul 7	Grupo Dos Leguas S.A.U.	South America	Strategic

For more information and insight please contact the EdgePoint Industrials team:

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M&A
Advisory
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EdgePoint Public Comparable Index Constituents

Plastics / Polymers Index

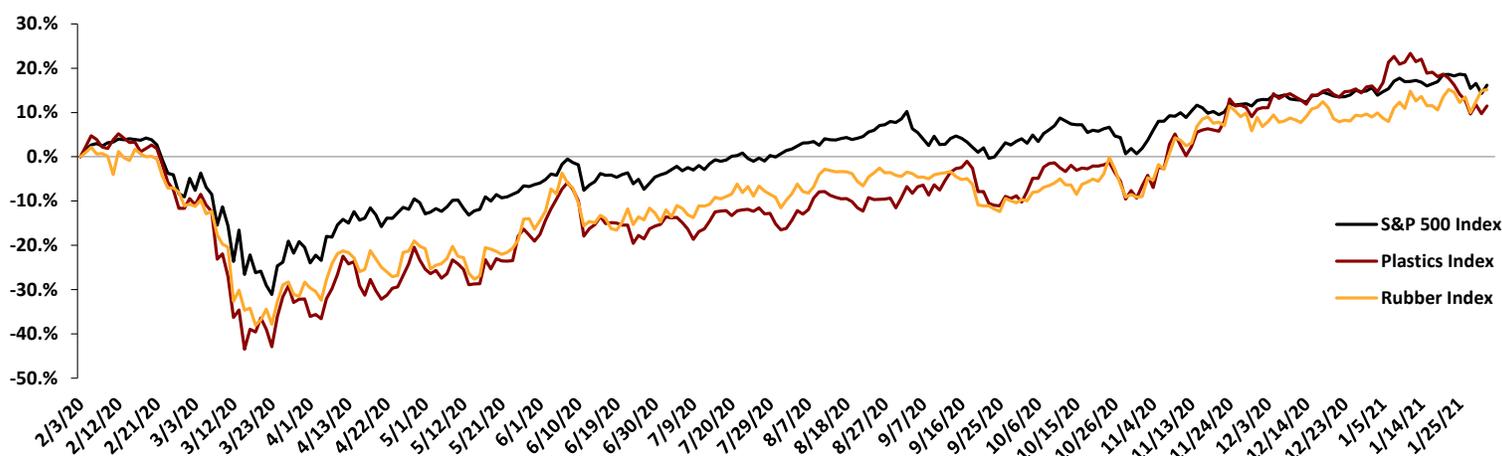
Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2021E	LTM	2021E	LTM	LTM	3-Yr. CAGR		
Avery Dennison Corporation	\$14,427	27.2%	14.4%	\$973	\$1,106	14.9x	13.8x	\$6,754	-4.4%	1.7%	\$150.87	91.9%
Berry Global Group, Inc.	17,172	20.6%	18.1%	2,118	2,192	7.6x	7.8x	11,709	31.9%	18.2%	49.37	85.2%
Clariant AG	7,778	31.9%	11.5%	473	614	13.6x	12.7x	4,115	-6.7%	-12.2%	18.96	79.4%
Core Molding Technologies, Inc.	120	12.8%	5.9%	13	0	8.4x	0.0x	218	-27.7%	8.3%	11.98	80.3%
Dow Inc.	53,082	13.5%	14.1%	5,429	6,930	8.4x	7.7x	38,542	-10.3%	-4.1%	51.90	84.7%
Essentra plc	1,177	7.4%	11.5%	106	105	10.0x	11.2x	916	-10.1%	-3.7%	2.89	64.8%
Ferro Corporation	1,929	30.6%	12.1%	115	144	15.1x	13.4x	948	49.3%	-10.0%	13.79	83.8%
Intertape Polymer Group Inc.	1,888	22.5%	14.4%	167	195	8.8x	8.3x	1,160	0.5%	10.1%	22.97	85.5%
LyondellBasell Industries N.V.	43,484	12.2%	12.8%	3,549	5,137	9.9x	8.5x	27,753	-20.1%	-7.0%	85.76	85.9%
Myers Industries, Inc.	717	35.0%	14.1%	69	69	9.9x	10.4x	490	-8.9%	-1.6%	20.05	87.9%
Avient Corporation	4,923	24.3%	11.5%	334	379	13.5x	13.0x	2,904	0.8%	-2.4%	38.43	82.9%
Solvay SA	12,333	25.6%	18.0%	1,802	1,902	6.3x	6.5x	10,006	-11.8%	-2.7%	94.04	90.5%
Tredegar Corporation	475	20.2%	10.0%	91	0	4.9x	0.0x	907	0.4%	-0.5%	14.59	61.5%
Westlake Chemical Corporation	13,235	12.8%	14.9%	1,104	1,235	11.2x	10.7x	7,422	-9.8%	-1.5%	76.46	83.3%
Median		21.5%	13.4%	404	496	9.9x	9.4x	3,509	-7.8%	-2.0%	30.7	84.2%
Mean		21.2%	13.1%	1,167	1,429	10.2x	10.3x	8,132	-1.9%	-0.5%	46.6	82.0%

Rubber Index

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Week High
		Gross	EBITDA	LTM	2021E	LTM	2021E	LTM	LTM	3-Yr. CAGR		
Michelin	\$24,829	26.9%	15.8%	\$3,422	\$3,316	6.9x	7.5x	\$21,711	-6.4%	0.1%	\$113.90	99.7%
Cooper Tire & Rubber Company	1,798	19.3%	14.7%	374	393	4.2x	4.6x	2,543	-8.3%	-4.1%	36.75	85.7%
Goodyear Tire & Rubber Company	9,111	16.4%	3.8%	476	467	11.9x	19.5x	12,378	-17.0%	-6.3%	10.55	75.4%
Median		0.0%	0.0%	0	0	0.0x	0.0x	0	0.0%	0.0%	0.00	0.0%
Mean		8.9%	4.9%	610	596	7.7x	10.5x	5,233	-4.5%	-1.5%	23.03	37.3%

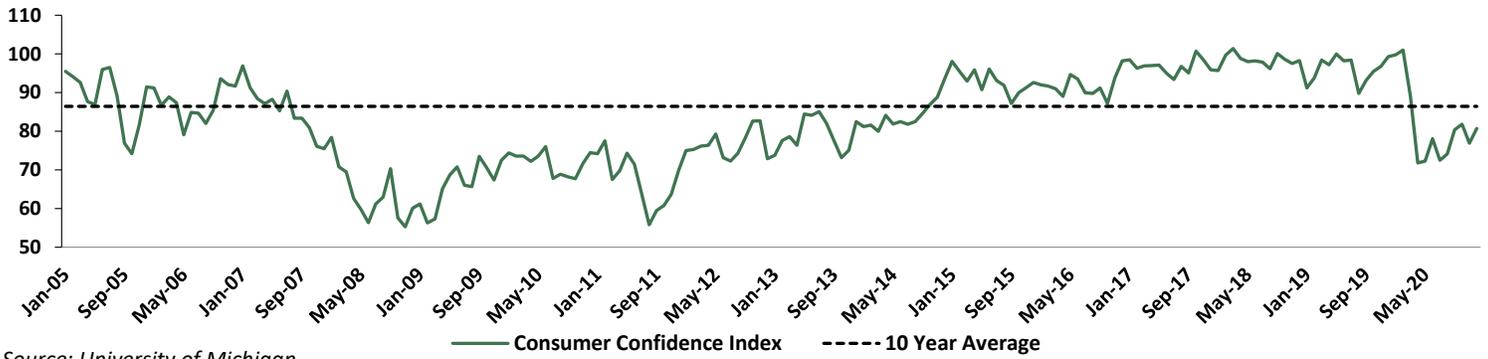
Source: S&P CapIQ (As of January 31, 2021)

Trailing Twelve Months Stock Performance

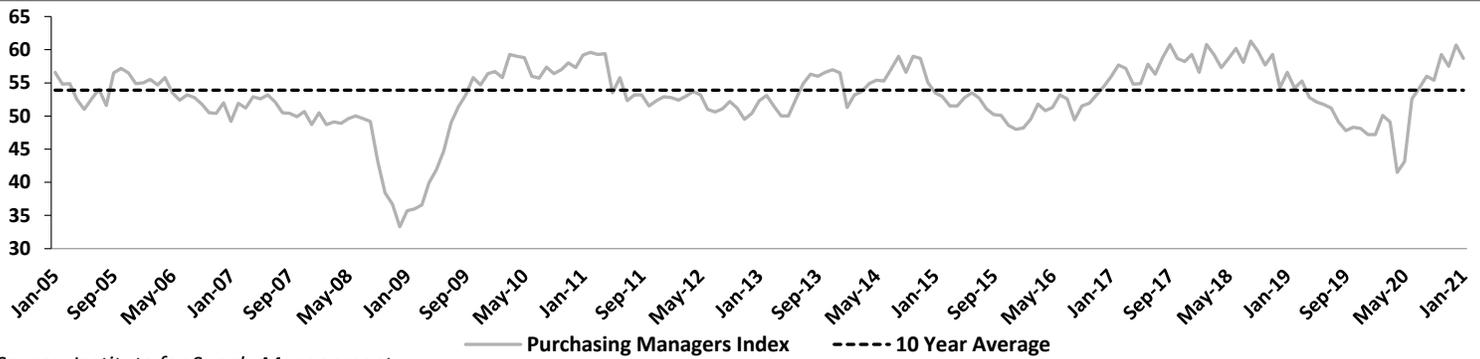


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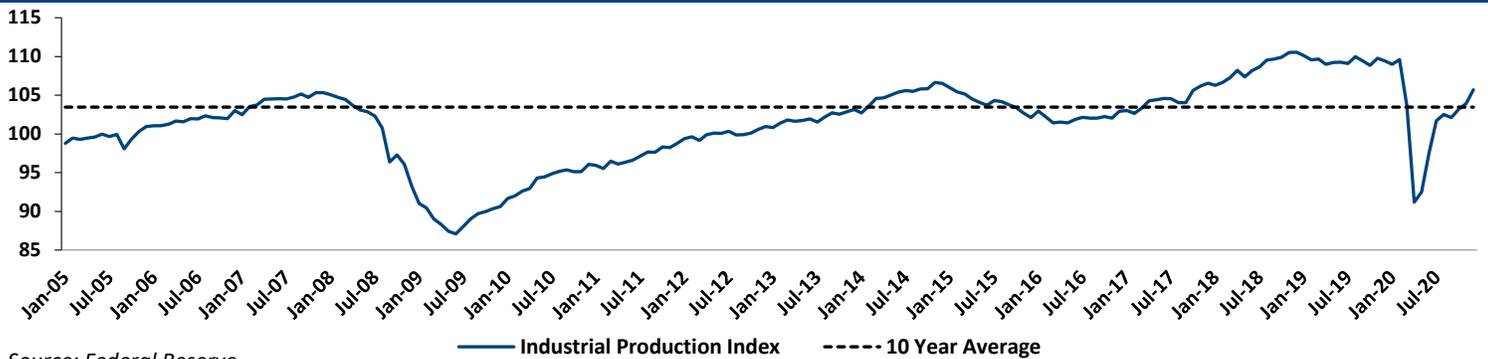
Consumer Confidence Index (2005 - 2021)



Purchasing Managers Index (2005 - 2021)



Industrial Production Index (2005 - 2021)



U.S. Real GDP Growth (2004 - 2021)

