



Plastics Product
Manufacturing
INDUSTRY MARKET UPDATE



ACQUISITIONS
DIVESTITURES
FINANCINGS
RESTRUCTURINGS

Key Statistics

1%

YoY contraction in plastic products manufacturing output in 2023⁽¹⁾

1.6%

CAGR in plastics usage between 2022 and 2030 ⁽²⁾

91%

of plastics manufacturers are investing in Industry 4.0 technologies, such as interconnected factories that use real-time data to optimize production processes

Industry Overview

Current challenges in the U.S. plastic products manufacturing industry include managing the volatile cost of raw materials, keeping up with technological change, and addressing consumer preferences regarding plastics. At the same time, growth opportunities are being created by increasing demand from key end markets like automotive, medical/pharmaceutical, and packaging, as well as material and process innovations like bioplastics and additive manufacturing.

Plastics Product Manufacturing Output⁽¹⁾



(1) Federal Reserve Bank of St. Louis, IBIS; (2) Statista, Deskera

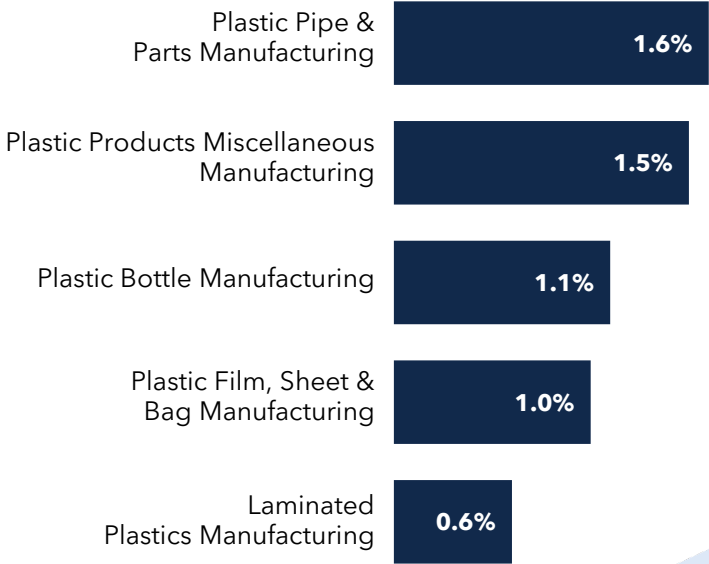
Key Trends

- » Plastics products manufacturing contracted in 2023. According to the Federal Reserve Bank of St. Louis, the plastics and rubber products index was 98.8 in November 2023 compared to 101.8 in November 2022. The Plastics Industry Association expects the rate of decline to be lower in 2024.⁽¹⁾
- » Growth drivers include lightweighting of and the shift toward electric vehicles, the Infrastructure Investment and Jobs Act, and demand for at-home consumption as well as food and beverage and household packaging products.⁽¹⁾
- » Manufacturers are increasingly focused on sustainability, whether viewed as an opportunity to improve competitive advantage or a threat of regulation like Extended Producer Responsibility. As such, products containing recycled content (e.g., PET bottles and HDPE bags) are expected to gain market share.⁽²⁾
- » Bioplastics are another sustainable material of choice because of their beginning and end-of-life benefits. In addition, processors are participating in new end market opportunities (NEMO) and other recycling strategies to achieve sustainability.
- » Additive manufacturing (AM) is a growing complement to injection molding. AM reduces waste, allows for rapid prototyping, and can reduce costs in low-volume applications. Post-processing also uses AM to strengthen parts and enhance form and function.⁽³⁾

(1)Federal Reserve Bank of St. Louis, IBIS; (2) Deloitte; (3) Dassault Systems Spatial

Key Industry Segments Growth

2023-2028 ⁽¹⁾

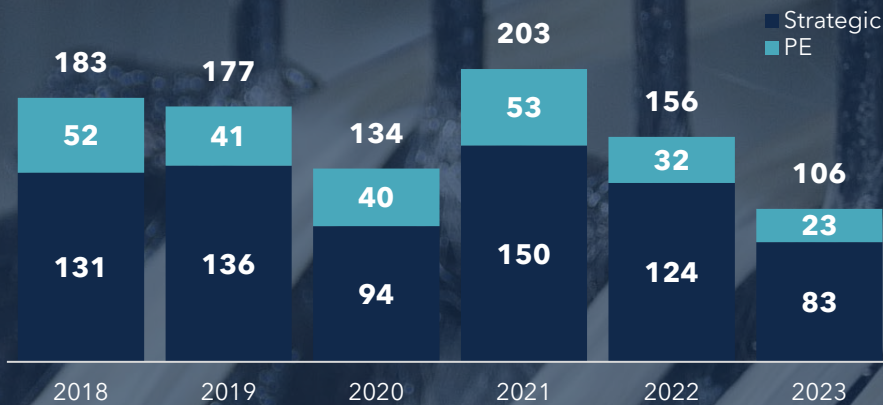


Increased Investor Interest

U.S. plastic products and packaging transaction volume continued to decline in 2023. Like other industries, activity has been negatively impacted by high interest rates, tight credit markets, and economic uncertainty.

U.S. Plastic Products M&A Activity

(U.S. Deal Count, by year)



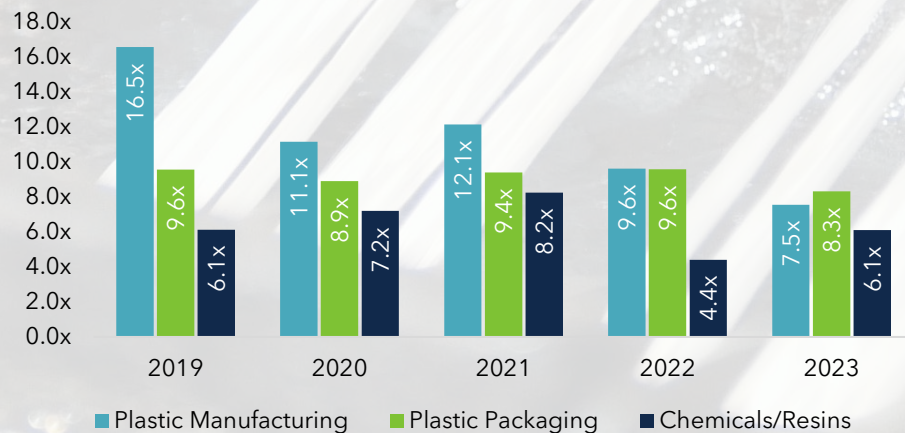
Note: Transactions include Plastic Products and Plastic Packaging industry categories from Capital IQ.

Active Private Equity Groups



Valuation Trends for Select Public Companies

(EV/EBITDA multiples for select public companies)



Recent M&A Activity

DATE	TARGET	ACQUIRER	VALUE (\$M)
Dec-23	MoldPro, Inc.	Plastifab Industries	NA
Dec-23	Ocean State Packaging, Inc.	Nowia Group	NA
Nov-23	Complete Packaging, Inc.	Specialized Packaging Group	NA
Oct-23	Reliance Products Ltd.	Greif, Inc (NYSE: GEF)	20
Sep-23	Integrated Thermoforming Systems, Inc.	Global Packaging Development LLC	NA
Sep-23	CTL Packaging USA	ICONS Beauty Group	NA
Jul-23	Vital Plastics, Inc.	Wolverine Capital Partners	NA
Jun-23	Natech Plastics	Stratec SE (XTRA: SBS)	30

Select Transactions

Buy-Side Advisor

CLARION
technologies

has acquired

GTM
PLASTICS

Learn more about the transaction in the case study here.

Buy-Side Advisor


CLARION
technologies

has acquired
certain assets of

CNI Plastics, LLC

Learn more about the transaction in the case study here.

Financial Advisor


has been recapitalized by
management

WHITEWOLF
CAPITAL LLC
and

GEMINI INVESTORS

Learn more about the transaction in the case study here.

Self-Side Advisor


has been acquired by

**W-L Molding of
Michigan, LLC**

Learn more about the transaction in the case study here.

About Cascade Partners

Cascade Partners is a boutique investment banking firm focused on middle-market businesses in industrials, healthcare, business services and manufacturing. Manufacturing and related business services are passions and specialties at Cascade Partners.

With more than 250 years of combined experience, we work with business owners and shareholders to achieve their objectives and explain the impact and opportunity of their options. Our experience extends beyond just being transaction advisors, too. We have been operators, served on boards and made personal investments in services firms. From buy-side and sell-side advisory services to securing growth financing, restructurings or recapitalizing your business, our expertise and insight goes deeper than the economic factors of a deal.

We recognize and respect the long-term impacts of a transaction on our clients' company, employees, family, wealth and personal lives and are committed not only to creating long-term value for companies but to creating transformative solutions for people.

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