



Quarterly Update

- Plastics & Rubber M&A remained active in the fourth quarter of 2021. Strategic buyers were particularly active in acquiring complementary add-on businesses while private equity groups continued to demonstrate strong interest in acquiring new platform companies.
- Given the number of new platform acquisitions, business owners should expect to see strong demand from financial-backed businesses pursuing add-on opportunities throughout 2022.
- EdgePoint's Rubber Index, which had been trading in line with the S&P 500 during the second half of 2021, outperformed the broader market in January as the S&P 500 fell more than 10% by the end of the month.
- The PMI and Industrial Production Index continued to show signs of weakness, due to supply chain and labor headwinds. The March FOMC meeting will be a closely watched event in the next several weeks as economists aim to alleviate challenging macroeconomic conditions without hampering economic growth.
- EdgePoint expects that transaction volume will remain stable throughout 2022 as available capital to fund acquisitions continues to exceed the number of available companies.

Recent EdgePoint Industrials Transactions (Selected)



For more information and insights, please contact the EdgePoint Industrials Group:



Matt Keefe
Managing Director
Industrials Group

Phone: (216) 342-5863
Email: mkeefe@edgepoint.com

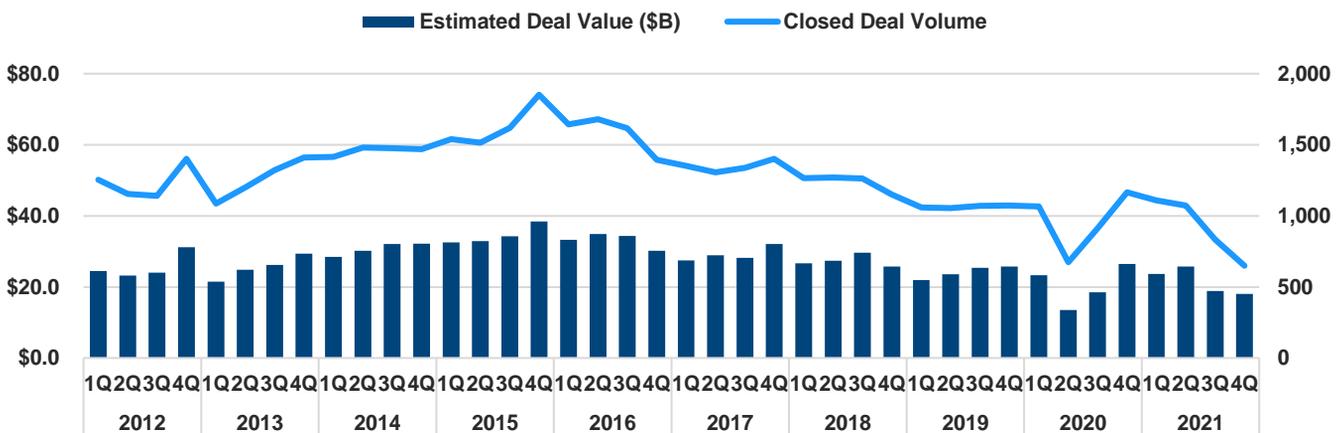
Industrials: Plastics & Rubber | January 2022

Recent Chemicals & Coatings Transactions (Selected)

Target	Date	Buyer / Investor	Region (Target)	Buyer / Investor Type
Nexus Circular LLC	Jan 31	Braskem S.A.	US	Strategic
Mura Technology Limited	Jan 18	LG Chem, Ltd.	EMEA	Strategic
OB&E Rubber Company	Jan 4	Singer Equities, Inc.	US	Financial
Heathland B.V.	Jan 3	Trinseo PLC	EMEA	Strategic
Sims Municipal Recycling of New York LLC	Dec 30	Closed Loop Partners, LLC	US	Financial
Plastic Design Corporation	Dec 22	Vance Street Management LLC	US	Financial
American Recycling Holdings, LLC	Dec 16	Tide Rock Holdings LLC	US	Financial
Beltec Co., Ltd.	Dec 16	Yondenko Corporation	APAC	Strategic
Control Equipment, Inc.	Dec 14	Kimray, Inc.	US	Strategic
Sewickley Capital, Inc.	Dec 13	Piovan S.p.A.	US	Strategic
Davis-Standard, LLC	Dec 10	Gamut Capital Management, L.P.	US	Financial
Jet Polymer Recycling, Inc.	Dec 3	Advanced Drainage Systems, Inc.	US	Strategic
UltrePET LLC	Nov 30	Evergreen	US	Strategic
Kangtai Plastic Technology Group Co., Ltd	Nov 23	Guangdong Xiongsu Technology	APAC	Strategic
Pacific Hose & Fittings, Inc.	Nov 11	Alaska Rubber and Supply, Inc.	US	Strategic
ENEXIO Service GmbH/Enexio Italy S.R.L.	Oct 31	DEUBIS Group	EMEA	Strategic
Performance Plastics Inc./Angeles Composites	Oct 26	JW Hill, LLC	US	Strategic
VB Seals, Inc.	Oct 8	Trelleborg Sealing Solutions US, Inc	US	Financial-Backed Strategic
Johnson Plastic Group, S.A. de C.V.	Oct 7	Tekni-Plex Healthcare	Mexico	Strategic
Shorts Tool and Mfg. (nka:Pinnacle Molds)	Oct 4	Adler Industrial Solutions, Inc.	US	Strategic
National Pipe & Plastics, Inc.	Oct 1	Oldcastle Infrastructure, Inc.	US	Strategic

Source: S&P Capital IQ (January 31, 2022)

Global Lower-Middle Market Quarterly Deal Flow



Lower-middle market refers to deals valued at \$100 million or less

Source: Pitchbook (January 31, 2022)

Industrials: Plastics & Rubber | January 2022

EdgePoint Public Comparable Index Constituents

Plastics / Polymers Index

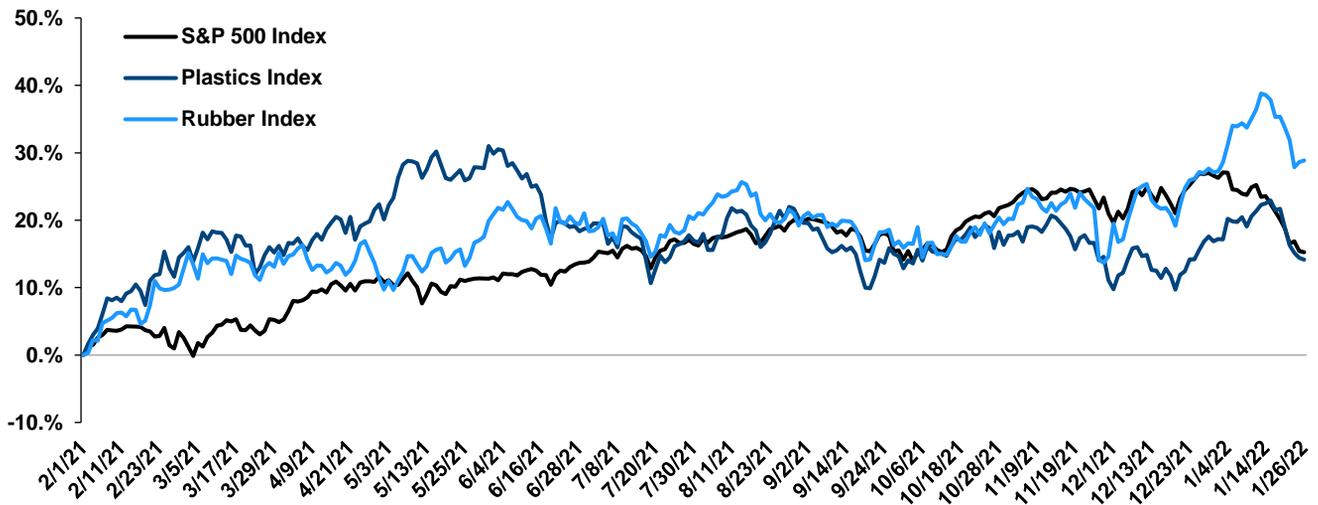
Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2020E	LTM	2020E	LTM	LTM	3-Yr. CAGR		
Avery Dennison Corporation	19,985	27.5%	15.6%	1,308	1,461	14.8x	15.2x	8,408	20.6%	5.5%	205.42	89.6%
Berry Global Group, Inc.	18,513	16.9%	15.0%	2,140	2,329	7.8x	8.5x	14,287	18.8%	21.0%	67.42	90.2%
Clariant AG	8,424	30.9%	16.2%	690	806	10.8x	10.6x	4,271	-4.0%	-10.3%	20.95	94.2%
Core Molding Technologies, Inc.	96	14.5%	9.0%	27	-	3.4x	0.0x	295	35.4%	7.8%	8.01	46.2%
Dow Inc.	57,534	19.6%	20.0%	10,971	10,081	4.4x	5.7x	54,968	42.6%	3.5%	59.73	83.7%
Essentra plc	1,703	7.4%	11.7%	150	178	10.5x	9.6x	1,275	0.8%	-3.2%	4.61	93.9%
Ferro Corporation	2,052	31.5%	15.4%	172	204	11.1x	10.1x	1,120	18.7%	-11.1%	21.80	99.1%
Intertape Polymer Group Inc.	1,800	23.8%	13.8%	202	250	8.5x	7.2x	1,462	26.0%	13.4%	20.15	78.0%
LyondellBasell Industries N.V.	43,876	19.0%	19.0%	8,752	7,927	4.5x	5.5x	46,173	66.4%	5.8%	96.73	82.0%
Myers Industries, Inc.	792	28.5%	9.0%	63	72	11.4x	11.0x	699	42.8%	7.2%	18.07	75.4%
Avient Corporation	5,971	23.5%	11.9%	573	634	9.6x	10.4x	4,819	48.6%	18.7%	49.77	81.0%
Solvay SA	15,110	27.0%	16.0%	1,963	2,553	6.9x	6.0x	12,257	5.7%	-1.9%	119.29	89.8%
Tredegar Corporation	506	19.7%	11.0%	88	-	5.6x	0.0x	798	4.9%	-8.3%	11.75	63.9%
Westlake Chemical Corporation	15,199	26.6%	28.1%	2,873	3,586	5.1x	4.2x	10,236	37.9%	5.8%	98.65	90.5%
Median		23.7%	15.2%	632	720	8.2x	7.8x	4,545	23.3%	5.6%	35.8	86.6%
Mean		22.6%	15.1%	2,141	2,149	8.2x	7.4x	11,505	26.1%	3.8%	57.3	82.7%

Rubber Index

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2020E	LTM	2020E	LTM	LTM	3-Yr. CAGR		
Michelin	33,954	30.6%	19.8%	5,245	5,744	6.6x	6.4x	26,445	2.7%	1.2%	165.43	94.9%
The Goodyear Tire & Rubber Company	14,175	21.7%	10.7%	1,876	2,425	7.1x	7.0x	17,478	41.9%	4.1%	20.73	83.3%
Pirelli & C. S.p.A.	11,871	69.1%	18.1%	1,140	1,385	9.7x	8.6x	6,287	19.3%	-1.3%	6.98	92.6%
Median		30.6%	18.1%	1,876	2,425	7.1x	7.0x	17,478	19.3%	1.2%	20.73	92.6%
Mean		40.5%	16.2%	2,754	3,185	7.8x	7.3x	16,737	21.3%	1.4%	64.38	90.2%

Source: S&P Capital IQ (January 31, 2022)

EdgePoint Public Comparable Index Trailing Twelve Months Stock Performance

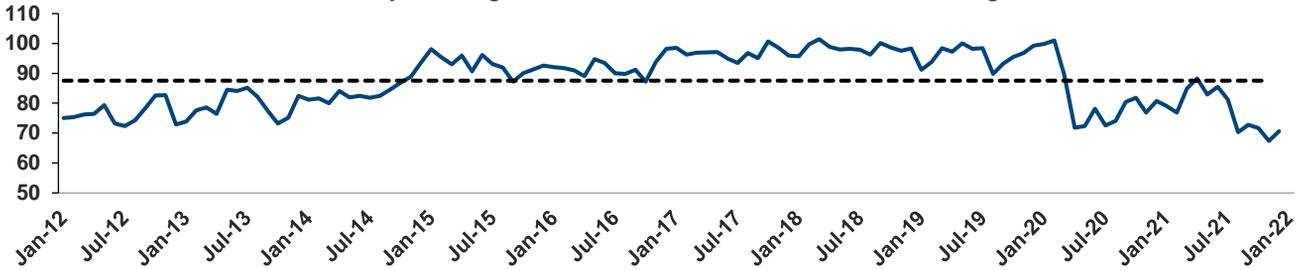


Source: S&P Capital IQ (January 31, 2022)

Industrials: Plastics & Rubber | January 2022

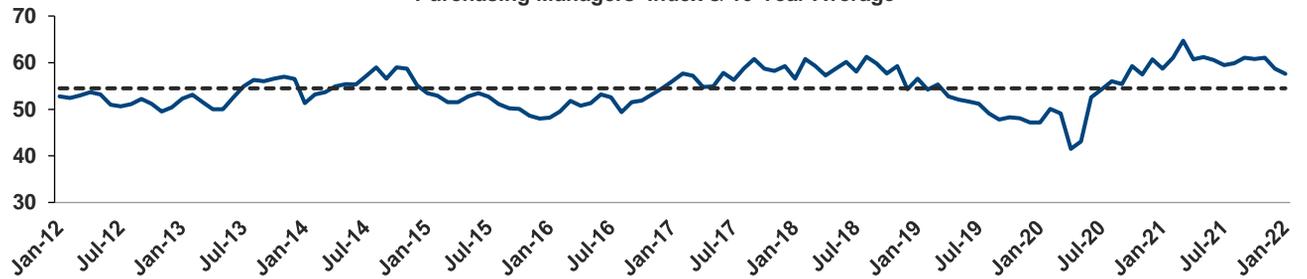
Key Macroeconomic Indicators

University of Michigan Consumer Confidence Index & 10-Year Average



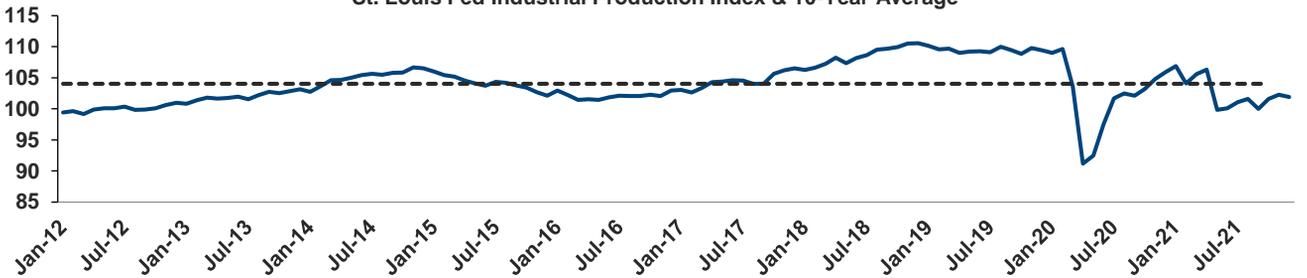
Source: University of Michigan

Purchasing Managers' Index & 10-Year Average



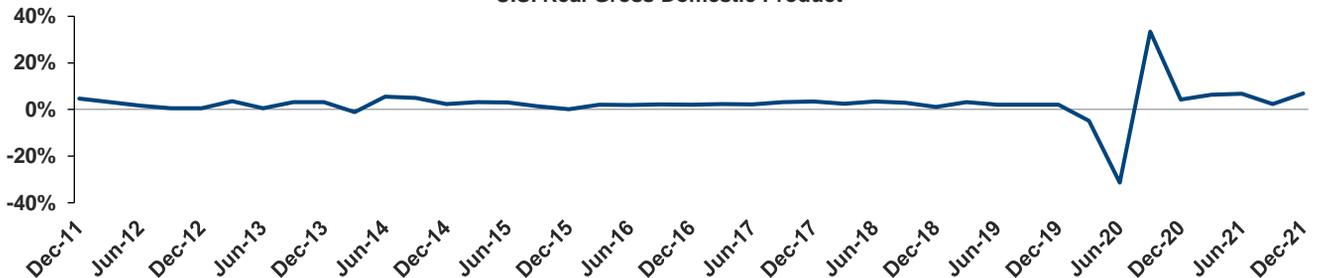
Source: Institute for Supply Management

St. Louis Fed Industrial Production Index & 10-Year Average



Source: The Federal Reserve Bank of St. Louis

U.S. Real Gross Domestic Product



Source: Bureau of Economic Analysis