



Quarterly Update

- Plastics and Rubber M&A activity remained steady at the end of Q4. Financial-backed strategics continued to be active in acquiring plastic businesses, particularly those with injection molding capabilities.
- Notably, Pexco LLC, a portfolio company of Odyssey Investment Partners, completed its 3rd molded plastics acquisition since Odyssey acquired the company in March 2022.
- EdgePoint's Plastic and Rubber Indexes outperformed the market during Q4 2022 and the first month of 2023.
- Despite inflation, rising interest rates, and the cooling job market, U.S. GDP grew at a rate of 2.9% during the 4th quarter of 2022. Economists largely attribute the rise in GDP to increased consumer spending, which aligned with the rise of the U.S. Consumer Confidence index in December 2022.
- EdgePoint expects deal volume in the plastics and rubber subsector to remain relatively stable. Key issues to watch include the labor market, easing inflation, and the Federal Reserve's decision on how to handle interest rates in 2023.

Recent 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

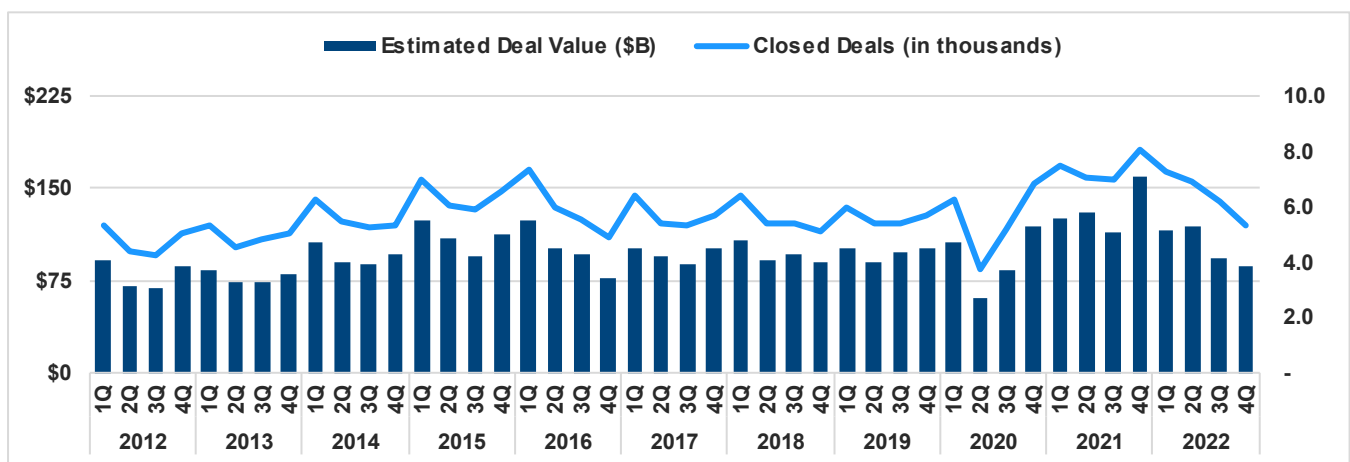
Industrials: Plastics & Rubber | January 2023

Recent Chemicals & Coatings Transactions (Selected)

Target	Date	Buyer / Investor	Region (Target)	Buyer / Investor Type
Fredman Bag Company	Jan 19	Summit Plastics, Inc.	United States	Financial-Backed Strategic
PlasticPack	Jan 19	IFCO Systems	EMEA	Financial-Backed Strategic
Pro Mold & Die	Jan 17	Wolf Industrial Advisors, LLC	United States	Financial
Dinsmore & Associates, Inc.	Jan 11	ADDMAN Engineering Group	United States	Financial-Backed Strategic
Dynalab Corp.	Jan 10	Calibre Scientific, Inc.	United States	Financial-Backed Strategic
Trojan Tracks USA, Inc.	Jan 9	All States AG Parts LLC	United States	Financial-Backed Strategic
Evans Manufacturing, Inc.	Jan 9	HPG	United States	Financial-Backed Strategic
Dunham Rubber & Belting Corporation	Dec 29	Belt Power LLC	United States	Financial-Backed Strategic
Poly-Tech Plastic Molding, Inc.	Dec 23	Arcane Capital Partners	United States	Financial
Akro Fireguard Products, Inc.	Dec 22	Integrated Polymer Solutions Group	United States	Financial-Backed Strategic
Medical Elastomer Development, Inc.	Dec 20	SaniSure, Inc.	United States	Financial-Backed Strategic
Lee Container Corporation, Inc.	Dec 15	Greif, Inc.	United States	Strategic
Eger Products, Inc.	Dec 6	Kaivac, Inc.	United States	Strategic
McCann Plastics, Inc.	Dec 6	HEXPOL AB	United States	Strategic
Solar Plastics, LLC	Nov 28	Tank Holding Corp.	United States	Financial-Backed Strategic
Elite Polymer Solutions	Nov 7	Atkore Inc.	United States	Strategic
Formula Plastics, Inc.	Nov 3	Investindustrial	EMEA	Financial
CRC Polymer Systems, Inc.	Nov 2	Prism Worldwide, LLC	United States	Strategic
Plastic Profiles, LLC	Nov 2	Pexco LLC	United States	Financial-Backed Strategic
Jer-Den Plastics, Inc.	Oct 31	JASPER Holdings, Inc.	United States	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, 2023)

Industrials: Plastics & Rubber | January 2023

EdgePoint Public Comparable Index Constituents

Plastics / Polymers Index

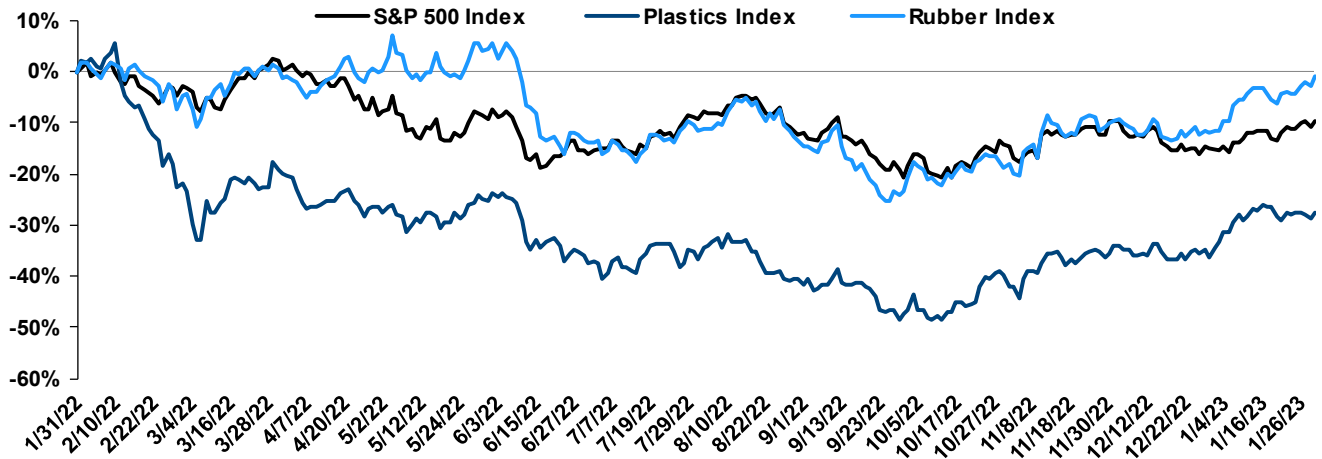
Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue LTM	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2022E	LTM	2022E		LTM	3-Yr. CAGR		
Avery Dennison Corporation	18,314	26.6%	15.1%	1,364	1,472	12.6x	12.9x	9,039	7.5%	8.5%	189.44	90.2%
Berry Global Group, Inc.	16,022	16.8%	14.9%	2,083	2,122	7.6x	7.7x	13,982	-2.1%	12.9%	61.73	91.2%
Clariant AG	6,255	28.8%	15.6%	766	893	7.2x	7.0x	4,901	24.1%	3.6%	15.62	77.1%
Core Molding Technologies, Inc.	164	13.6%	7.3%	27	32	5.8x	5.2x	364	23.4%	6.5%	15.60	99.4%
Dow Inc.	55,184	15.1%	15.4%	8,738	6,447	5.4x	8.6x	56,902	3.5%	9.8%	59.35	82.6%
Essentra plc	979	9.3%	11.0%	111	60	7.9x	16.3x	1,013	37.6%	-0.2%	2.16	62.6%
LyondellBasell Industries N.V.	43,189	14.4%	13.7%	7,273	5,408	5.3x	6.5x	53,075	28.6%	14.4%	96.69	82.5%
Myers Industries, Inc.	996	30.6%	11.1%	98	108	9.4x	9.2x	886	26.7%	18.2%	24.08	94.3%
Avient Corporation	6,327	22.6%	11.7%	577	552	10.4x	11.5x	4,917	40.3%	19.5%	40.52	73.1%
Solvay SA	13,164	24.4%	19.2%	2,965	3,197	4.0x	4.1x	15,442	46.0%	10.8%	106.65	95.5%
Tredegar Corporation	528	15.8%	7.9%	77	-	6.7x	0.0x	970	21.6%	2.4%	12.13	92.2%
Westlake Chemical Corporation	19,737	28.8%	28.9%	4,627	4,287	4.2x	4.6x	16,002	56.3%	24.8%	122.75	86.9%
Median		19.7%	14.3%	1,065	1,182	6.9x	7.3x	6,978	25.4%	10.3%	49.9	88.6%
Mean		20.6%	14.3%	2,392	2,048	7.2x	7.8x	14,791	26.1%	10.9%	62.2	85.6%

Rubber Index

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue LTM	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2022E	LTM	2022E		LTM	3-Yr. CAGR		
Michelin	26,266	28.0%	17.7%	4,579	5,206	5.5x	5.0x	25,892	16.1%	3.7%	28.96	75.5%
The Goodyear Tire & Rubber Company	11,766	19.9%	10.2%	2,086	2,045	4.9x	5.8x	20,485	27.4%	11.2%	11.25	49.6%
Pirelli & C. S.p.A.	8,588	67.4%	18.4%	1,228	1,421	6.5x	6.0x	6,676	23.1%	5.4%	4.59	72.2%
Median		28.0%	17.7%	2,086	2,045	5.5x	5.8x	20,485	23.1%	5.4%	11.25	72.2%
Mean		38.4%	15.4%	2,631	2,891	5.6x	5.6x	17,684	22.2%	6.8%	14.93	65.8%

Source: S&P Capital IQ (January 31, 2023)

EdgePoint Public Comparable Index Trailing Twelve Months Stock Performance

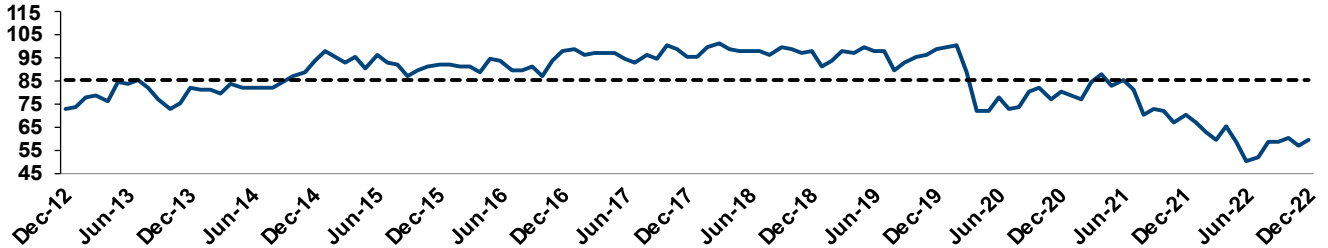


Source: S&P Capital IQ (January 31, 2023)

Industrials: Plastics & Rubber | January 2023

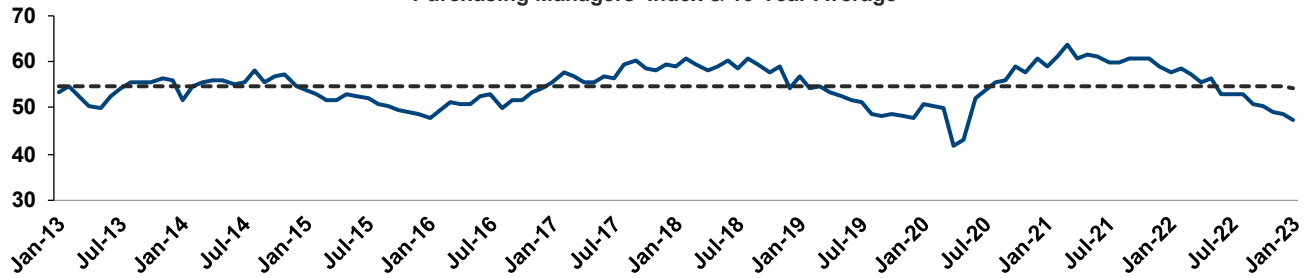
Key Macroeconomic Indicators

University of Michigan Consumer Confidence Index & 10-Year Average



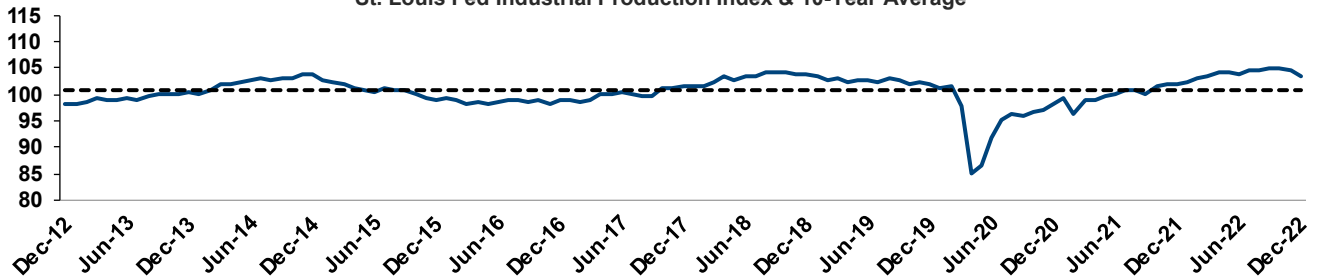
Source: University of Michigan

Purchasing Managers' Index & 10-Year Average



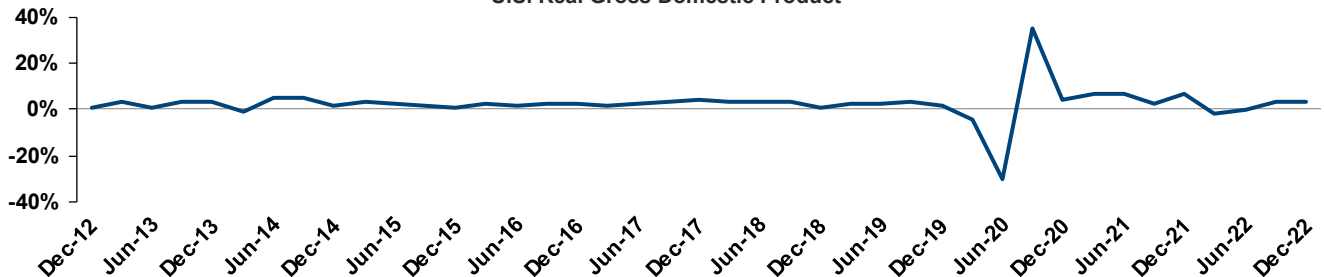
Source: Institute for Supply Management

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