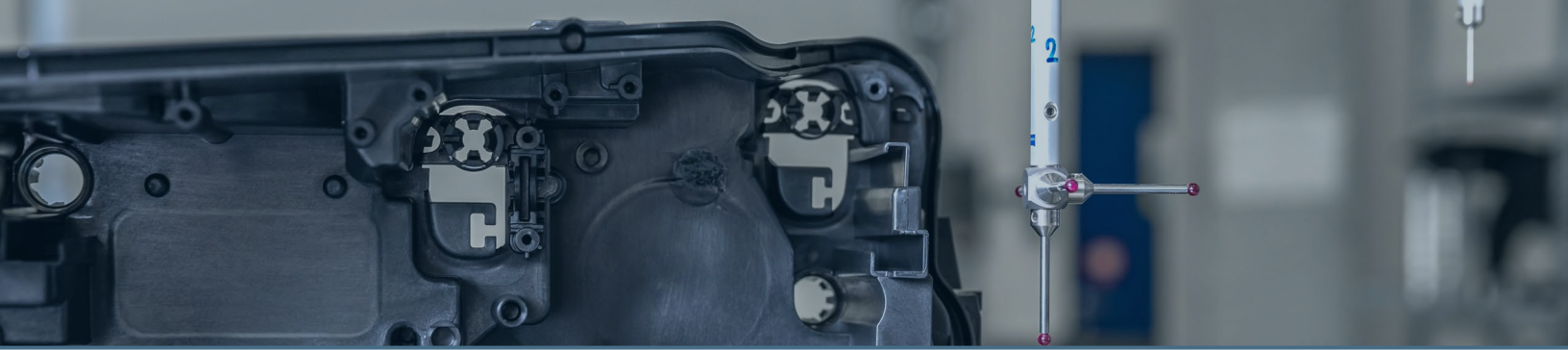


Plastics

Year in Review

2025



Key Insights and Observations

IN THIS EDITION

- ◆ Key Insights and Observations
- ◆ M&A Activity Trends
- ◆ Macroeconomic Update
- ◆ Plastics Market Trends & Subsector Performance
- ◆ Plastics Industry Deep Dive
- ◆ Recent Stout Transaction Spotlight
- ◆ Practice Overview

The plastics industry demonstrated notable resilience through 2025, posting 345 M&A transactions, a figure in line with recent years despite a challenging macro backdrop marked by tariff volatility, elevated costs, and uneven end market demand. While early 2025 was constrained primarily by policy uncertainty, market activity rebounded through the back half of the year as clarity improved and buyers regained confidence. As we transition into 2026, plastics businesses and their investors face a landscape defined by persistent operational headwinds but also structural opportunities as costs normalize and strategic priorities shift.

Inflation and Operating Costs: Inflation in 2025 moderated relative to the spikes of 2021-2022, yet prices remain elevated compared with pre-pandemic norms. While cost pressures have not disappeared, a more stable environment provides comfort to operators as well as investors who can more comfortably underwrite deal financing.

Interest Rates and Financing: Monetary policy has shifted from restrictive to modestly accommodative, with additional rate cuts anticipated for 2026, contingent upon inflation and labor data.

Tariffs and Supply Chain: Despite some stabilization in tariff expectations and incremental reciprocal deals, trade uncertainty remains a concern for manufacturers planning for 2026.

Labor Availability and Operating Pressures: Labor scarcity and wage escalation continue to shape operations. Tight hiring markets, rising demand for upskilling, and competition from other industrial sectors contribute to recruitment and retention challenges.

Outlook for 2026: Entering 2026, plastics M&A is positioned for continued momentum as buyers regain underwriting confidence amid stabilizing costs, clearer trade policy, and improving financing conditions. While end market demand remains mixed, businesses demonstrating margin sustainability and operational discipline will continue to trade at a premium.

Implications for Owners and Investors: For business owners looking to exit, the most relevant factors to consider are financial performance, strength of the backlog and pipeline, as well as the health and outlook of the end market segments the company serves. Flexibility regarding process launch timing remains critical.



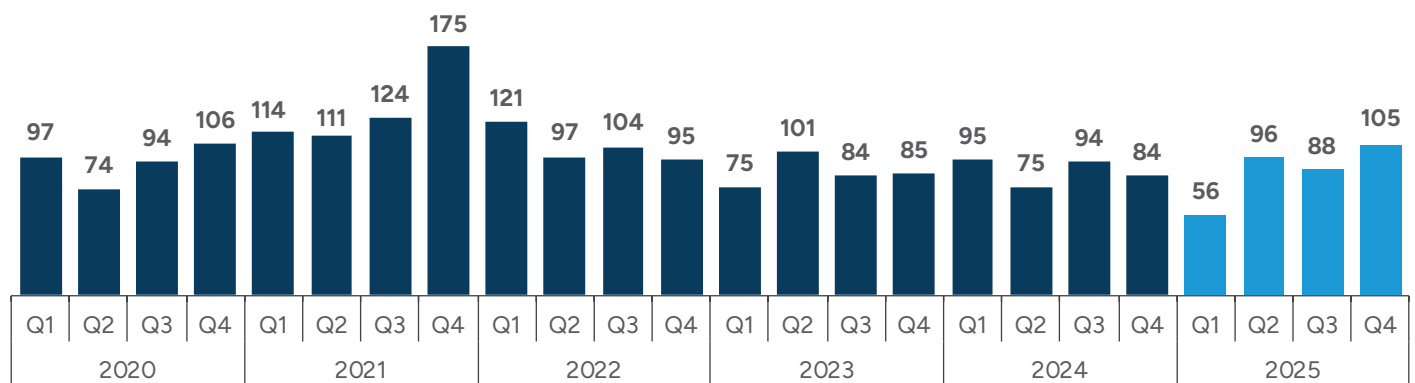
Plastics M&A Activity Trends

2025 KEY DRIVERS

- ❖ 2025 M&A activity has been shaped by a rebound in dealmaking as interest rate cuts improve financing conditions, ongoing sector consolidation, and evolving geopolitical and regulatory dynamics that continue to influence cross-border flows and deal structure
- ❖ Private equity sponsors have continued to balance abundant dry powder with disciplined activity and high-value buyouts, particularly as holding periods have persisted throughout 2025 due to deflated valuation multiples

Quarterly Plastics M&A Transaction Volume

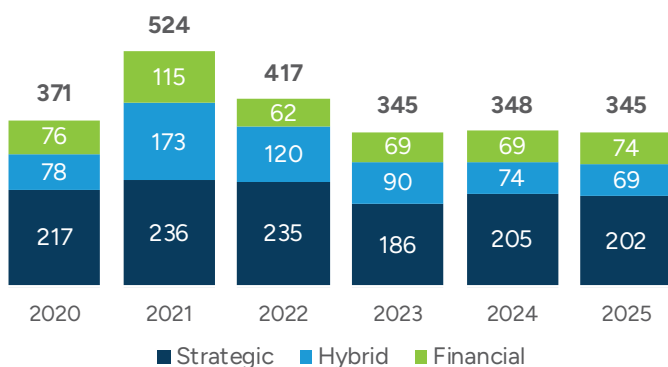
(Number of Announced M&A Transactions Per Quarter)



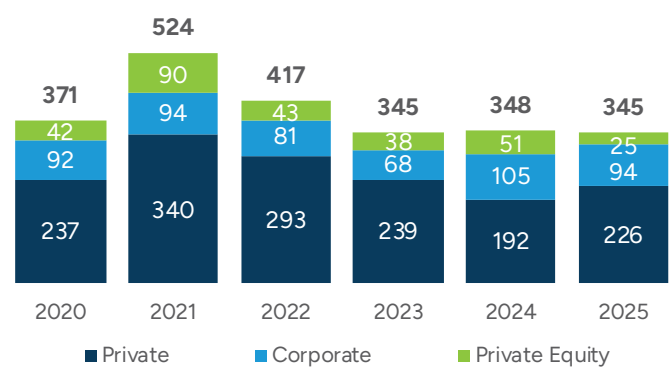
ACQUIROR AND SELLER TRENDS

Volume by buyer and seller type in 2025 remained stagnant on an aggregate basis; however, the data continues to skew in favor of private sellers. Financial, hybrid, and strategic buyer activity in 2025 remained consistent with trends seen in 2024 as parties saw an opportunity to roll up discounted assets. On the sell side in 2025, private equity volume decreased as sponsors opted for prolonged hold periods due to multiple-depressed markets.

M&A Volume by Acquiror Type



M&A Volume by Seller Type



Plastics M&A Activity Trends (cont.)

ACTIVITY BY END MARKET

M&A activity in the plastic packaging end market has remained strong in 2025, completing 89 transactions, an increase of 19% from 2024. Deal flow was supported by stable consumer demand. Conversely, activity slowed in the industrial end market as transactions dipped to a five-year low due to supply chain uncertainty surrounding manufacturing and elevated cost input volatility. Activity in the medical and automotive end markets remained consistent but for opposite reasons. Medical manufacturers continue to command premium (albeit contracting) multiples, while the automotive segment has seen a number of trades involving underperforming assets.

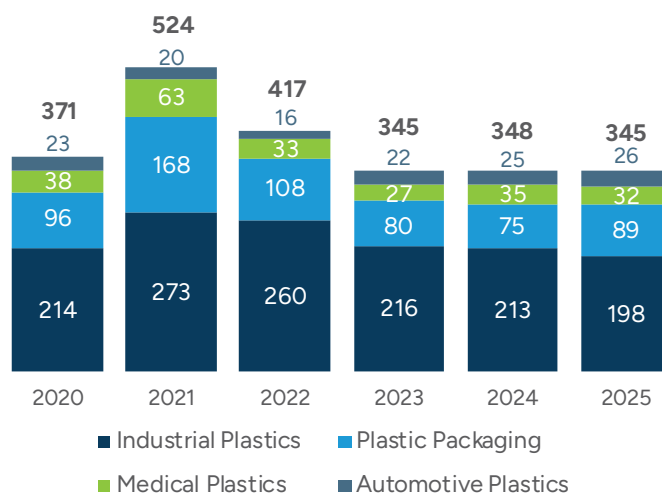
ACTIVITY BY PROCESS

While deal volume in injection molding remained below peak levels observed earlier in the decade, consistent transaction flow reflects sustained consolidation opportunities and durable demand across multiple end markets. 2025 was highlighted by strong activity in Resin/Compounding, with a 124% increase in transactions from 2024 – this can be attributed to a stabilization in resin prices after years of volatility tied to logistics disruptions and energy markets (see p. 5 for more information). Machinery transaction activity increased, reaching its highest level in five years.

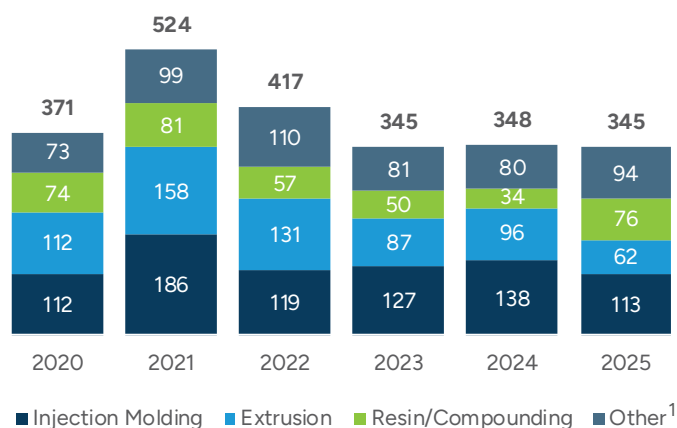
ACTIVITY BY GEOGRAPHY

Domestic M&A activity trended downwards in 2025, decreasing deal count by 22% compared to 2024, primarily attributed to uncertainty stemming from the U.S. tariffs announced in April (and associated economic implications on supply chain dynamics). Conversely, international M&A activity has jumped in 2025, recording its highest deal count since 2017. Early stages of 2026 may see an increase in domestic activity, supported by improving borrowing conditions, sponsor dry powder deployment, and stabilizing input costs.

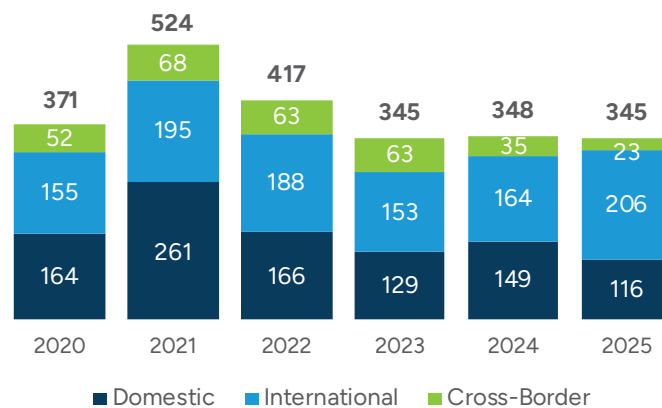
M&A Volume by End Market



M&A Volume by Manufacturing Process



M&A Volume by Geography



Macroeconomic Update

RECENT MACRO PERFORMANCE

Despite elevated uncertainty, the U.S. economy has performed admirably through late 2025, supported by still-positive consumer activity and pockets of investment strength. Real GDP growth was strong in Q2, Q3, and Q4 after a weaker start to the year, reflecting a rebound in private demand even as hiring momentum cooled.

Inflation trends in 2025 showed continued moderation, but pressures persisted in key categories that directly affect input costs for manufacturers and plastics producers. Headline CPI eased to +2.7% year-over-year in December 2025, remaining close to the Federal Reserve's 2% target and reflecting broad price stability across goods and services.

INDUSTRY TRENDS

U.S. manufacturing remained in contraction to close 2025, with ISM Manufacturing PMI hovering below 50 (contraction) for the entirety of the year, closing December at 48.2. This reflects continued soft demand, restrained new orders, and cautious inventory positions. By the end of 2025, the effective federal funds rate settled at ~3.6%, reflecting the Fed's decision to maintain a restrictive stance while allowing inflation pressures to moderate. Tighter credit conditions further encouraged manufacturers and distributors to maintain leaner inventories.

Real GDP Growth and Inflation

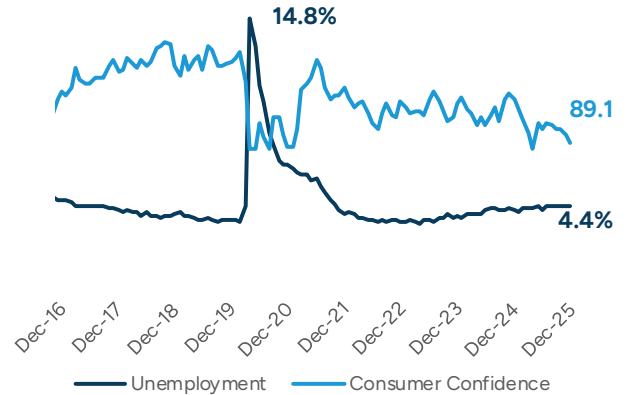
(Annualized quarterly percentage change)



Source: Federal Reserve Bank of New York

Unemployment and Consumer Confidence

(Percentage of unemployed persons in the U.S. labor force)
(Index of consumer sentiment; long-term average = 100)



Source: Bureau of Labor Statistics; University of Michigan Consumer Confidence Report

Purchasing Managers' Index

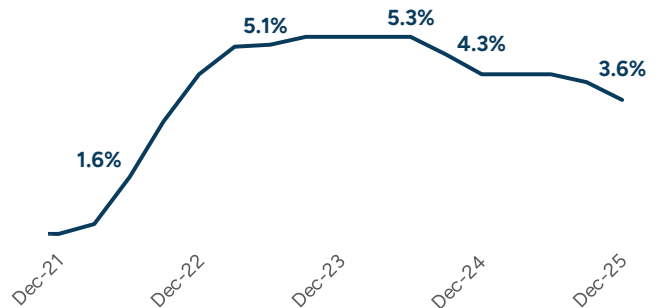
(Measures economic health of manufacturing sector 0 – 100)



Source: Institute for Supply Management

Effective Federal Funds Rate

(Volume-weighted median of overnight federal funds transactions)



Source: Federal Reserve Bank of New York

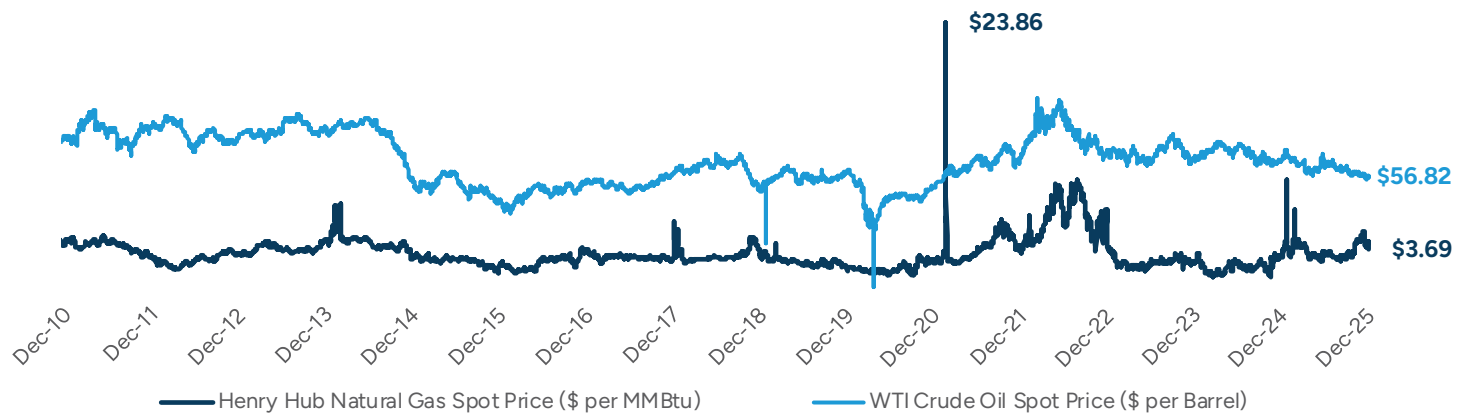
(1) Q4 2025 real GDP growth is based on Federal Reserve Bank of Atlanta's: GDPNow estimate

Macroeconomic Update (cont.)

COMMODITY AND RESIN PRICING TRENDS

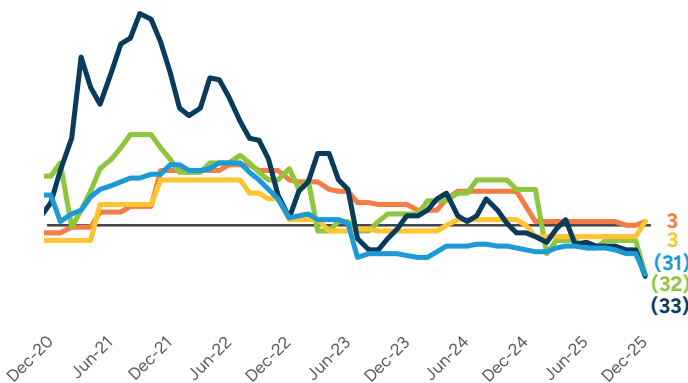
Natural gas pricing trends in 2025 largely mirrored 2024 levels; however, prices rose sharply in the final two months of the year, peaking at \$5.30 in December before closing the year at \$3.69, highlighting a volatile closing quarter. Crude oil prices subsided after a strong 2024, declining 20.8% year-over-year. After periods of above-average inventories in 2023 and 2024, storage levels have tightened relative to the five-year average, providing less buffer against demand spikes. Despite ongoing geopolitical risks, ample spare capacity and disciplined OPEC+ production helped contain oil price volatility amid steady demand. Most major resins trended toward price stability, with polypropylene and PVC remaining relatively flat, while HDPE, nylon, and ABS experienced modest downward pressure amid ample supply and softer industrial and automotive demand. Overall, the current pricing environment is characterized by improved predictability and limited inflationary pressure, supporting greater cost visibility for processors entering 2026.

Natural Gas Pricing and Crude Oil

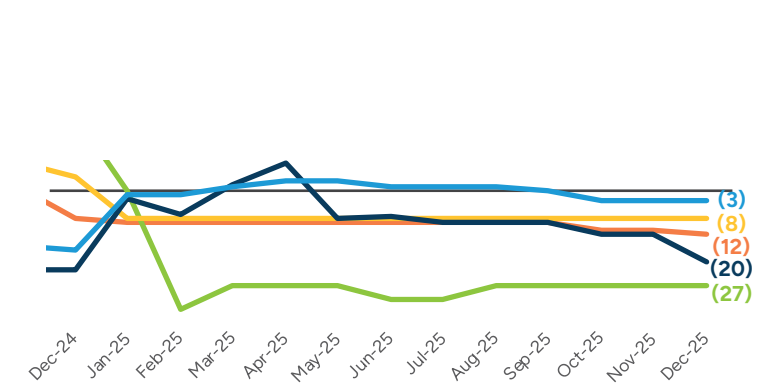


Resin Pricing Index

Last 5 Years – relative index price performance by type (Indexed to 0.0 as of 12/31/2020)



Last 1 Year – relative index price performance by type (Indexed to 0.0 as of 12/31/2024)



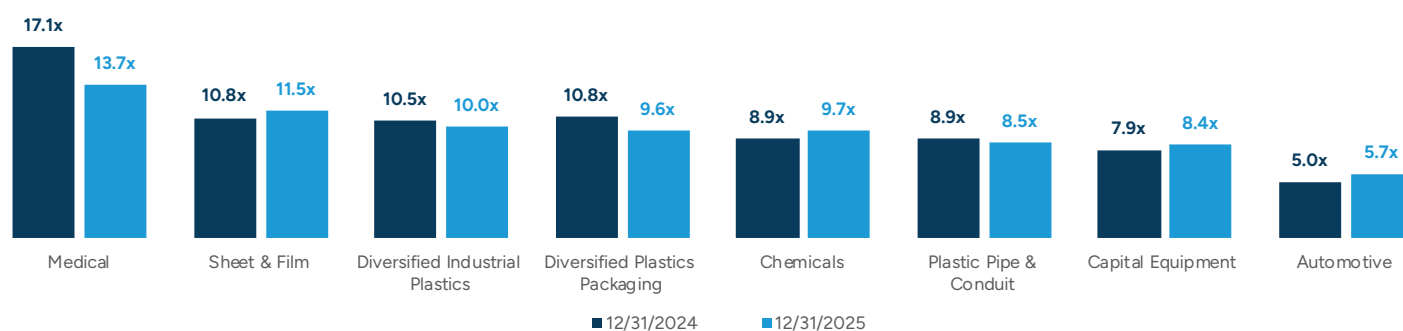
■ Nylon
 ■ High Density Polyethylene
 ■ Acrylonitrile Butadiene Styrene
 ■ Polypropylene
 ■ Polyvinyl Chloride

Plastics Market Trends

VALUATION METRICS

The U.S. stock market delivered strong returns in 2025, with the S&P 500 up approximately 16.4% year-over-year. This marks the third consecutive double-digit gain amid resilient consumer spending and robust corporate performance. Continued optimism around AI-related investment and the broader technology sector leadership supported equity even as macro uncertainty persisted. Within the plastics industry, multiples for two of the eight subsectors that Stout tracks were up in 2025, highlighted by the automotive subsector seeing a modest rebound and medical experiencing the steepest contraction given historically elevated multiples.

Public Company Subsector Multiples: Median EV / LTM EBITDA



Source: S&P Capital IQ and Stout Proprietary Database

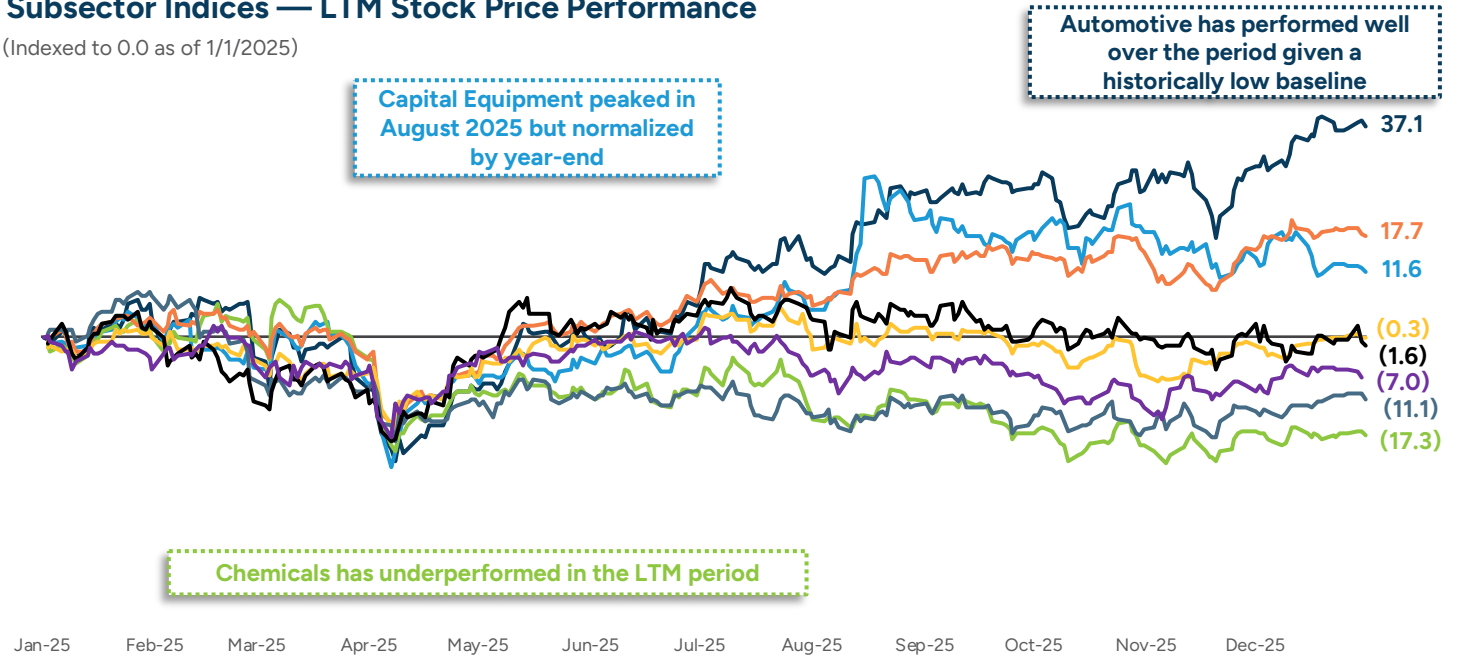
SELECT RECENT PLASTICS INDUSTRY TRANSACTIONS

Date	Target (Ownership)	Subsector	Acquiror (Ownership)
Dec-25	ALUDEC, S.A.	Automotive Plastics	CIE Automotive, S.A. (BME:CIE)
Dec-25	Thomson Plastics	Industrial Plastics	Amara Industries
Nov-25	Sealed Air Corporation (NYSE:SEE)	Plastic Packaging	Clayton, Dubilier & Rice
Nov-25	Comar	Plastic Packaging	Precision Concepts International ("PCI")
Oct-25	Hillenbrand, Inc. (NYSE:HI)	Industrial Plastics	Lone Star Americas
Oct-25	Molded Rubber & Plastic	Medical Plastics	Vance Street Capital
Oct-25	OxyChem (Occidental (NYSE:OXY))	Industrial Plastics	Berkshire Hathaway Inc. (NYSE:BRK.A)
Sep-25	Currier Plastics	Medical Plastics	Sheridan Capital Partners
Sep-25	Envalior (Lanxess AG)	Industrial Plastics	Advent International
Aug-25	Epwin Group Plc (AIM:EPWN)	Industrial Plastics	Laumann Group SE
Jul-25	Precision Concepts International (ONCAP)	Plastic Packaging	The Sterling Group
Jun-25	Shakespeare Company (Jadex (One Rock))	Industrial Plastics	Nova Capital Management
May-25	Nordson MEDICAL Design and Development	Medical Plastics	Quasar Medical
Apr-25	TriStar Plastics Corp.	Plastic Packaging	Sky Peak Capital
Mar-25	AZEK (NYSE:AZEK)	Industrial Plastics	James Hardie Industries plc (NYSE:JHX)
Mar-25	Alltec Integrated Manufacturing Inc.	Industrial Plastics	Clayens NP Group (One Equity Partners)
Mar-25	Novares Group S.A.	Automotive Plastics	Global Technologies
Feb-25	Americhem	Industrial Plastics	Pritzker Private Capital
Feb-25	Milacron (Hillenbrand, Inc. (NYSE:HI))	Industrial Plastics	Bain Capital
Jan-25	Five-Star Plastics	Industrial Plastics	Intek Plastics (Vermillion Group)

Plastics Subsector Performance

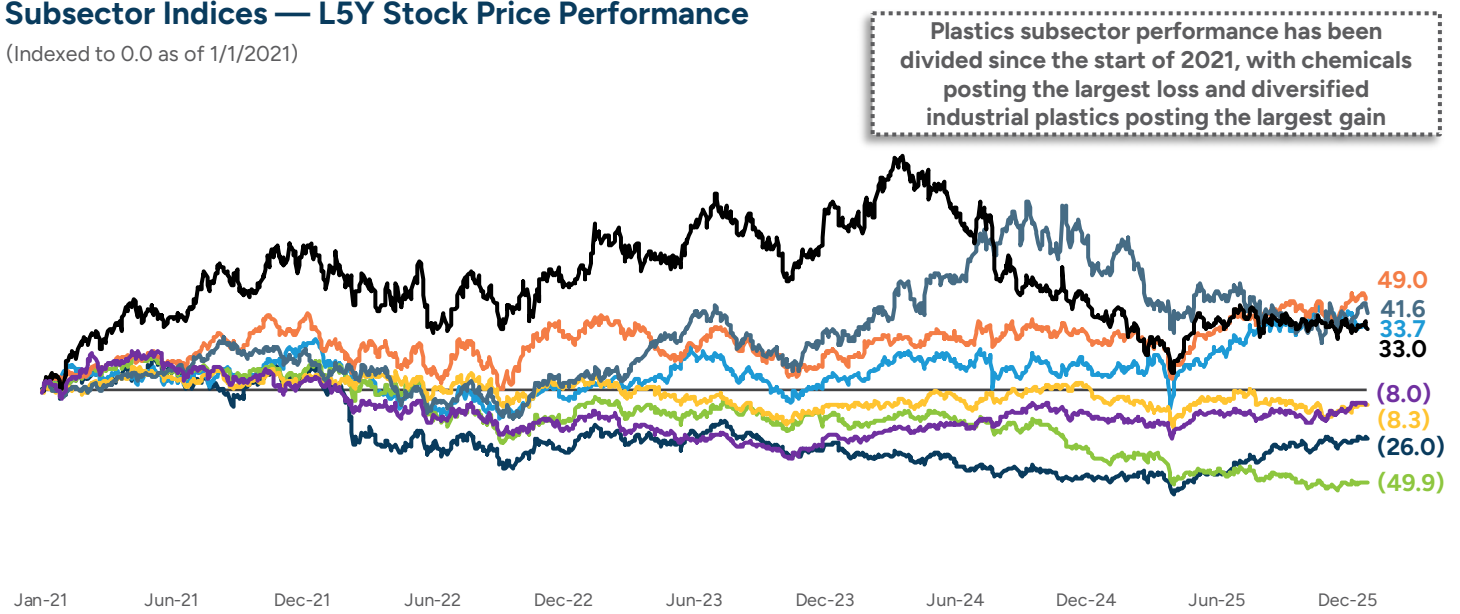
Subsector Indices — LTM Stock Price Performance

(Indexed to 0.0 as of 1/1/2025)



Subsector Indices — L5Y Stock Price Performance

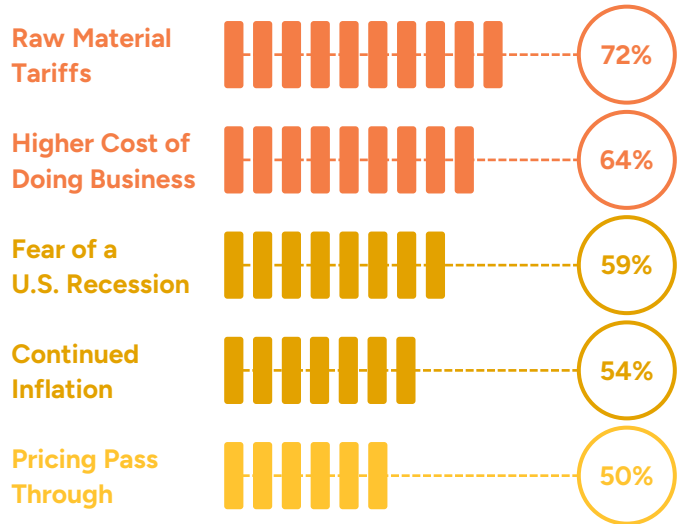
(Indexed to 0.0 as of 1/1/2021)



MANUFACTURERS ARE FEELING THE EFFECTS OF INDUSTRY-WIDE CHALLENGES

Operational Challenges and Top Concerns

Manufacturer sentiment remains constructive but increasingly tempered by external cost and policy-related pressures. Survey responses indicate that raw material tariffs are the dominant concern, highlighting heightened sensitivity to international trade exposure. Elevated operating costs continue to challenge profitability, with 64% pointing to the rising cost of doing business, while 59% flag recession risk as uncertainty around end market demand persists. With these challenges ahead, profitability gains will be largely dependent on productivity initiatives, process optimization, and tighter cost controls rather than cyclical demand recovery.



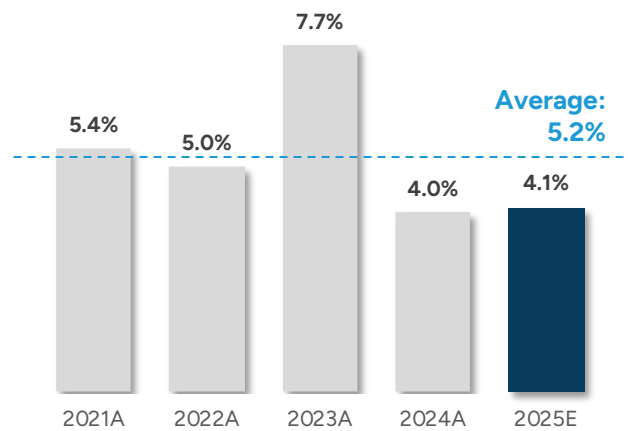
Note: Percentages represent the number of respondents that noted each respective challenge in their business

AUTOMATION AS A CONTINUED CAPEX FOCUS

Capex Trends

Capital investment intensity has normalized in 2025 following the outsized spending observed in 2023, when smaller processors spent more on capex as a percentage of revenue. Despite the moderation in aggregate spend, investment priorities remain firmly focused on automation, with growing adoption of automated tool handling, flexible manufacturing cells, vision systems, and related technologies. These investments are increasingly viewed as strategic necessities to improve throughput, stabilize labor requirements, and offset persistent wage inflation to stay competitive as cost pressures continue.

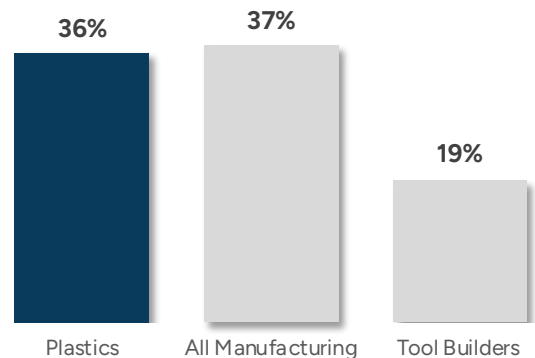
Overall Maintenance and Growth Capex as % of Revenue



Hiring Environment

Hiring activity across manufacturing remains active but uneven by segment. Plastics processors report hiring for open positions or growth initiatives at a similar rate to the broader manufacturing average, indicating steady but measured workforce expansion. In contrast, only 19% of tool builders are hiring, reflecting softer order intake and project delays. This divergence reflects measured capacity expansion among processors.

% Hiring for Growth / Open Positions



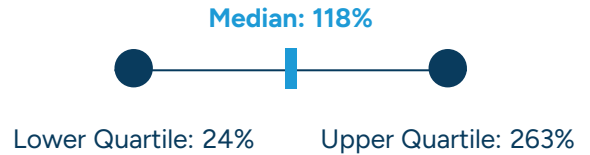
TOP LINE GROWTH OUTLOOK IMPACTED BY QUOTING TRENDS AND EXCESS CAPACITY

Quoting Activity

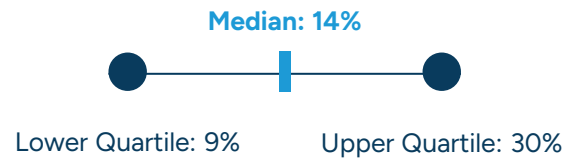
In 2025, plastics processors quoted a median of 118% of annual revenue, with a wide range of performance across the industry spanning roughly 24% at the lower quartile to more than 260% at the upper quartile. With median quote win rates at 14% on dollars quoted, many processors face a constrained path to revenue growth unless quoting volume expands meaningfully. Not all quotes are created equal, however, as companies with revenue greater than \$50M had a median hit rate of ~28%, compared to companies with \$25M to \$50M in revenue hitting at ~12%.

Median revenue per salesperson sits at \$4.7M in 2025, with best-in-class processors generating more than 2.5x that level. This dispersion reflects structural differences in commercial execution, including quote quality, pricing discipline, and internal collaboration. Organizations with lower productivity often rely on higher quote volumes and aggressive pricing to maintain volumes, which can pressure margins. Engineering-led quoting continues to outperform sales-only approaches, driving superior profitability on new programs and more strategic pricing decisions.

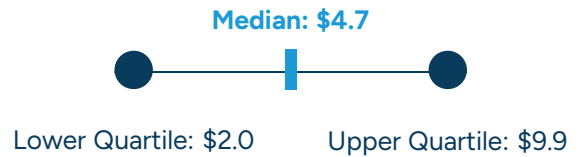
Quote Funnel as % of Revenue⁽¹⁾



Quote Win Rate (in \$)⁽²⁾

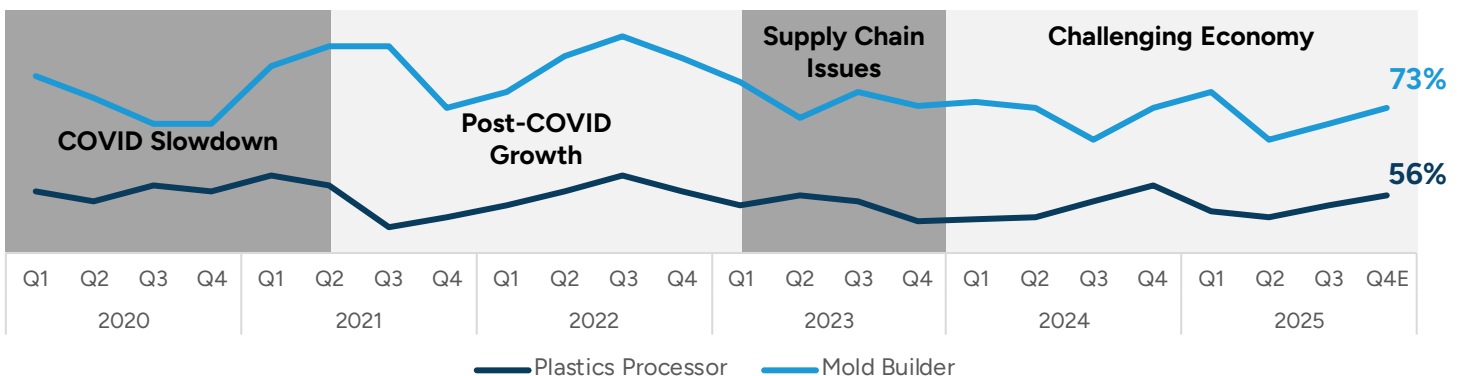


Revenue Per Salesperson (\$ in millions)⁽³⁾

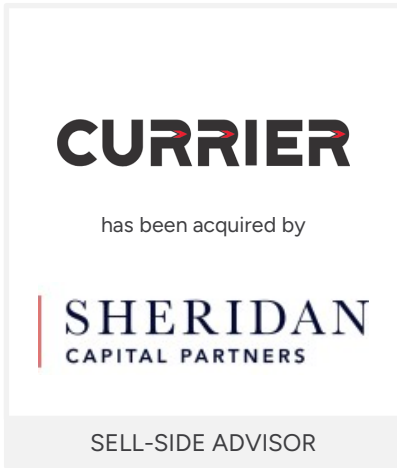


Capacity Utilization

Average capacity utilization of 56% for plastics processors, based on a 24-hour / 5-day shift cycle, remains below pre-pandemic levels and under 60% for over two years. Automation has improved operating efficiency; however, underutilized capacity can lead to higher fixed costs and pressure margins. Mold builders followed a similar trajectory, peaking during the post-COVID surge before stabilizing in the mid-70% range in 2025.



Stout Transaction Spotlight



COMPANY OVERVIEW

Founded in 1982 and headquartered in Auburn, NY, Currier Plastics (“Currier”) is a provider of precision healthcare consumables and premium packaging products serving the healthcare, food & beverage, and personal care markets. Leveraging both injection and blow molding expertise, Currier has emerged as a trusted supplier of high-quality, complex, difficult-to-replicate healthcare components. By leveraging both injection and blow molding expertise, Currier delivers complex solutions that foster customer loyalty. Currier’s competitive advantage stems from its automation and cleanroom capabilities, which enable the production of highly customized, specification-driven solutions.

Stout Advises Currier Plastics on Sale to Sheridan Capital Partners

STOUT’S VALUE-ADD TO THE TRANSACTION

Aligned Process Launch to Capitalize on Currier’s Healthcare Momentum

Conducted Pre-Launch Calls to Generate Early Interest and Gauge Market Receptivity

Leveraged Relationships with the Most Relevant Buyers in Plastics, Packaging, and Healthcare

Maintained Competitive Tension With Multiple Buyers in the Final Stages

BUYER PROFILE

Sheridan Capital Partners (“Sheridan”) is a healthcare-focused private equity firm based in Chicago focused on lower middle-market buyouts and growth equity in the U.S. and Canada. Sheridan consists of 18 platforms and 180+ add-on investments. The acquisition of Currier Plastics represents a strengthening of Sheridan’s portfolio in consumer health and medical products.

PROCESS SUMMARY & OUTCOME

Stout served as exclusive financial advisor to Currier Plastics, leading to a successful closing in September 2025. Stout’s full press release can be found [here](#). Thoughtful buyer list construction and high-touch initial outreach generated significant interest in the initial marketing phase. Throughout the process, Stout advised shareholders and management on the spectrum of potential buyer types, the distinct value each could offer, and the implications for the business post-transaction. Thus, Sheridan Capital Partners was selected as the winning bidder due to its exhibited interest throughout, established healthcare relationships, and strategic alignment with Currier.

Practice Overview

ABOUT

Stout is the most active advisor to middle-market plastics businesses, having completed 100+ investment banking transactions across a range of key plastics subsectors, processes, and end markets. Our Plastics team leverages strong, long-standing relationships with key strategic consolidators and highly active financial sponsors in the space, which enables us to provide superior outcomes for our clients. Learn more about our [Plastics industry coverage and resources](#).

FOCUS AREAS

Processes

- Injection Molding
- Extrusion
- Thermoforming
- Blow Molding
- Rotational Molding
- Composites
- Resin/Compounding
- Capital Equipment
- Tool and Die
- Prototyping

End Markets

- Medical
- Industrial
- Packaging
- Automotive
- Consumer Products
- Electronics
- Appliance
- Building Products
- Machinery
- Wire and Cable

RECENT STOUT TRANSACTIONS

CURRIER
has been acquired by
SHERIDAN
CAPITAL PARTNERS
SELL-SIDE ADVISOR

SHAKESPEARE
a division of
Jadex
a portfolio company of
ONE ROCK
CAPITAL PARTNERS
has been acquired by
NOVA
CAPITAL MANAGEMENT
SELL-SIDE ADVISOR

FIVE STAR PLASTICS
has been acquired by
Intek
PLASTICS
a portfolio company of
VERMILION
SELL-SIDE ADVISOR

IAC
International Automotive Components
(Logroño Facility)
has been acquired by
FLEX | N | GATE
SELL-SIDE ADVISOR

VP viking plastics
a portfolio company of
SPELL CAPITAL
FAMILY OFFICE • PRIVATE EQUITY
has been acquired by
HOFFMANN PARTNERS
SELL-SIDE ADVISOR

ARCANE
CAPITAL PARTNERS
has acquired
PETROFLEX
a portfolio company of
TICIP
TRANSITIONING CAPITAL PARTNERS
BUY-SIDE ADVISOR

PARKWAY
a portfolio company of
HEARTWOOD
PARTNERS
has been acquired by
CLAYENS
a portfolio company of
One Equity Partners
SELL-SIDE ADVISOR

SEAWAY
PLASTICS ENGINEERING
a portfolio company of
TB TONKA BAY
has been acquired by
ICG
SELL-SIDE ADVISOR

plasticcomponents.com
a portfolio company of
MPE
PARTNERS
has been acquired by
Rosti
a portfolio company of
NORDSTJERNAN
SELL-SIDE ADVISOR

UPCOMING EVENTS 2026

MAPP Plant Tour (KW Container):

February 12

Plastics News Executive Forum:

March 24 – 26

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ABOUT STOUT INVESTMENT BANKING

Stout's Investment Banking group provides mergers and acquisitions (M&A) advisory, capital market financing, and other financial advisory services to portfolio companies of private equity firms, closely held or family-owned businesses, and divisions of large corporate parents. Learn more about our [**Investment Banking services**](#).

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