Executive Summary

Public injection molding companies are currently trading at **8.7x EBITDA**, up **61.1%** from the most recent cycle trough of 5.4x in early 2016, and higher than the historical median.

Innovative advancements like micro injection and eco-materials are expected to continue to shape the injection molding industry throughout 2019.

Strong 2019 predictions and capital expenditure projections as technology drives opportunities and continued positive trends for the US injection molding industry.

Injection molding companies with niche capabilities or customer bases are garnering premium valuations – cycle is late in its bull run.

The Big Picture

Manufacturing valuations vary across specialties but injection molding companies are favorably priced with median public multiples at **8.7x EBITDA**.

Growth in injection molding is tightly connected to the growth of end-market industries such as packaging, automotive and construction.

Environmental considerations could be drivers of change and firms must adapt quickly to remain competitive.

Bridgepoint Investment Banking advises injection molding company owners seeking liquidity or growth financing that timing continues to be attractive to consider exploring monetization, financing and other capital options.

Injection Molding Valuation Cycle

<table>
<thead>
<tr>
<th></th>
<th>TEV/EBITDA</th>
<th>TEV/Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Median</td>
<td>8.7x</td>
<td>0.74x</td>
</tr>
<tr>
<td>Historical Median</td>
<td>7.6x</td>
<td>0.70x</td>
</tr>
<tr>
<td>Peak Median</td>
<td>9.8x</td>
<td>1.22x</td>
</tr>
<tr>
<td>Trough Median</td>
<td>5.4x</td>
<td>0.49x</td>
</tr>
</tbody>
</table>

Source: Bridgepoint Investment Banking, Capital IQ

Valuation Cycle is a composite of the public companies found on page 2.

Bridgepoint Investment Banking is a division of Bridgepoint Holdings, LLC. Securities offered through an unaffiliated entity, M&A Securities Group, Inc., member FINRA/SIPC.
Selected Public Comparables

($ in millions, except per share data)

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Country</th>
<th>2/8/2019 Share Price</th>
<th>Equity Value</th>
<th>Enterprise Value</th>
<th>P/E</th>
<th>TEV/Revenue LTM</th>
<th>TEV/Revenue LTM</th>
<th>TEV/EBITDA LTM</th>
<th>TEV/EBIT LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>AdvanSix Inc.</td>
<td>United States</td>
<td>$31.28</td>
<td>$932.2</td>
<td>$1,112.0</td>
<td>8.3x</td>
<td>0.74x</td>
<td>7.8x</td>
<td>12.3x</td>
<td></td>
</tr>
<tr>
<td>Core Molding Technologies, Inc.</td>
<td>United States</td>
<td>$8.32</td>
<td>$67.4</td>
<td>$109.2</td>
<td>NM</td>
<td>0.46x</td>
<td>9.2x</td>
<td>28.6x</td>
<td></td>
</tr>
<tr>
<td>The Eastern Company</td>
<td>United States</td>
<td>$25.25</td>
<td>$158.0</td>
<td>$175.7</td>
<td>16.0x</td>
<td>0.76x</td>
<td>7.3x</td>
<td>8.9x</td>
<td></td>
</tr>
<tr>
<td>Pro-Dex, Inc.</td>
<td>United States</td>
<td>$15.20</td>
<td>$63.0</td>
<td>$77.1</td>
<td>20.9x</td>
<td>2.28x</td>
<td>10.7x</td>
<td>11.7x</td>
<td></td>
</tr>
<tr>
<td>Plexus Corp.</td>
<td>United States</td>
<td>$56.19</td>
<td>$1,737.1</td>
<td>$1,744.6</td>
<td>14.1x</td>
<td>0.59x</td>
<td>9.4x</td>
<td>12.8x</td>
<td></td>
</tr>
<tr>
<td>Sturm, Ruger &amp; Company, Inc.</td>
<td>United States</td>
<td>$56.97</td>
<td>$977.1</td>
<td>$838.3</td>
<td>20.2x</td>
<td>1.70x</td>
<td>8.7x</td>
<td>13.3x</td>
<td></td>
</tr>
<tr>
<td>Sannina Corporation</td>
<td>United States</td>
<td>$32.16</td>
<td>$2,007.9</td>
<td>$2,041.0</td>
<td>23.0x</td>
<td>0.33x</td>
<td>7.5x</td>
<td>11.6x</td>
<td></td>
</tr>
<tr>
<td>Sonoco Products Company</td>
<td>United States</td>
<td>$58.70</td>
<td>$5,858.8</td>
<td>$7,017.1</td>
<td>24.5x</td>
<td>1.32x</td>
<td>9.6x</td>
<td>14.3x</td>
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<tr>
<td>Trinseo S.A.</td>
<td>United States</td>
<td>$48.71</td>
<td>$1,976.8</td>
<td>$2,738.7</td>
<td>5.0x</td>
<td>0.59x</td>
<td>4.0x</td>
<td>4.9x</td>
<td></td>
</tr>
</tbody>
</table>

Selected Recent Industry Transactions

<table>
<thead>
<tr>
<th>Date</th>
<th>Target</th>
<th>Acquirer</th>
<th>Buyer Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/17/2019</td>
<td>Structured Polymers Inc.</td>
<td>Evonik Corporation</td>
<td>Strategic</td>
</tr>
<tr>
<td>01/07/2019</td>
<td>Marion Process Solutions, Inc.</td>
<td>May River Capital, LLC</td>
<td>Private Equity</td>
</tr>
<tr>
<td>12/21/2018</td>
<td>Mold Hotrunner Solutions Inc.</td>
<td>Westfall Technik, Inc.</td>
<td>Strategic</td>
</tr>
<tr>
<td>12/05/2018</td>
<td>Trojan Scientific Americas Inc</td>
<td>Trojan Scientific and Medical Pty</td>
<td>Strategic</td>
</tr>
<tr>
<td>11/29/2018</td>
<td>South-Tek Systems, LLC</td>
<td>Pfingsten Partners, L.L.C.</td>
<td>Strategic</td>
</tr>
<tr>
<td>11/01/2018</td>
<td>Specialty Silicone Products, Inc.</td>
<td>Electronic Technologies Group, Inc.</td>
<td>Strategic</td>
</tr>
<tr>
<td>10/26/2018</td>
<td>CSL Silicones Inc.</td>
<td>BRB International BV</td>
<td>Strategic</td>
</tr>
<tr>
<td>10/12/2018</td>
<td>Quadion LLC</td>
<td>KKR &amp; Co. Inc. (NYSE:KKR)</td>
<td>Private Equity</td>
</tr>
<tr>
<td>10/05/2018</td>
<td>Tomken Plastic Technologies, Inc.</td>
<td>Quality Models Limited</td>
<td>Strategic</td>
</tr>
<tr>
<td>10/05/2018</td>
<td>North American Business of Amaray</td>
<td>Westfall Technik, Inc.</td>
<td>Strategic</td>
</tr>
<tr>
<td>08/06/2018</td>
<td>Bemis Company, Inc. (NYSE:BMS)</td>
<td>Amcor Limited (ASX:AMC)</td>
<td>Strategic</td>
</tr>
<tr>
<td>07/06/2018</td>
<td>Rapid Production Tooling, Inc.</td>
<td>R.L. Hudson &amp; Company</td>
<td>Strategic</td>
</tr>
</tbody>
</table>

Key Business Considerations

**KEY MANUFACTURING TRENDS**
- Increased Production of Durable Goods (incl. Plastics) Driving Industrial Growth As Signaled by Job Growth
- Manufacturers Are Turning to Niche Verticals to Retain Competitive Control
- Demand for Industrial Plastics used in Automotive and Aerospace is high with a 14,000+ commercial aircraft backlog
- Innovation in Injection Molding is Rapid and Companies Will Need to Continually Rethink Their Manufacturing Processes
- Injection Molding Growth at 6.0% CAGR through the Forecast Period (2025)

**VALUATION CONSIDERATIONS**
- Growth in the plastic injection molding sector is expected to be elevated over the near term – driving high valuations
- Private Equity Firms with record amounts of capital are targeting companies leading in unique verticals and increasing valuations from financial buyers
- Firms that leverage supply chain efficiencies and produce molds that were once infeasible will become more defensible with price control
- Fluctuating raw material prices in addition to growing environmental concerns regarding disposal, could potentially hinder future market growth
- Tailwinds favorable to plastics, such as an increase in the production of durable goods, are leading to high cash flow projections and elevated valuations

Source: Bridgepoint Investment Banking, Capital IQ, SDR Ventures, PWC, Merrill Insights, BLS Census Bureau, Deloitte, GrandView Research
EXECUTIVE SUMMARY

Significant industrials expertise with over $100 billion in sector transactional experience

186+ years cumulative investment banking and financial services experience

$102+ billion of M&A, capital raising, corporate finance and transaction advisory service experience

40 completed M&A assignments spanning more than $30 billion

77 completed corporate finance transactions, raising more than $73 billion in capital

SELECTED BRIDGEPOINT TRANSACTION EXPERIENCE

**TransWood**
USD 60 million
debt financing
Solo Financing Adviser

**RURAL MEDIA**
USD 45 million
Uni-tranche financing for recapitalization
Solo Financing Adviser

**CONTRACTORS**
USD 1.7 billion
Senior secured credit facilities
Joint Bookrunner

**LEAR CORPORATION**
USD 17 billion
Senior secured credit facilities

**SELECTED BRIDGEPOINT TRANSACTION EXPERIENCE**

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Solo Financing Adviser

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Senior secured credit facilities
Joint Bookrunner

**LEAR CORPORATION**
USD 17 billion
Senior secured credit facilities

186 YEARS OF EXPERIENCE

$102B IN TRANSACTIONS

117 TOTAL TRANSACTIONS

SENIOR LEADERSHIP

**Matt Plooster**
Managing Director

**Mike Anderson**
Managing Director

**Wm. Lee Merritt**
Managing Director

**Gary Grote**
Managing Director

**Adam Claypool**
Managing Director

**Joe Liss**
Managing Director

**Natasha Plooster**
COO

**Subhash Marineni**
Vice President

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