



# PLASTICS AND CHEMICALS MANUFACTURING

*INDUSTRY OVERVIEW AND FINNEA EXPERIENCE*

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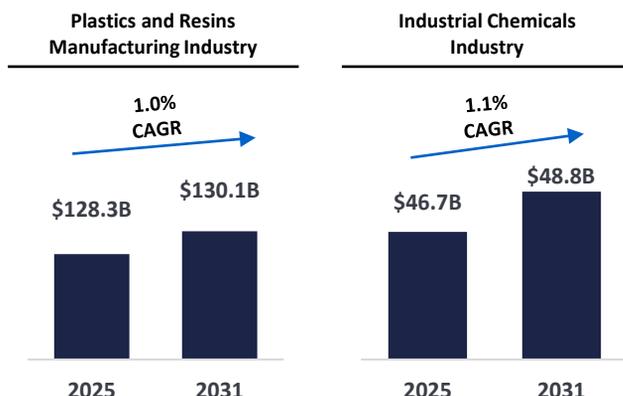
*1H 2026*



### INDUSTRY OVERVIEW

- The plastics and chemicals industry consists of producers and distributors of polymer resins, industrial chemicals, specialty compounds, and other products created for use across packaging, automotive, industrial, and other end markets
- The industry is expected to grow slightly throughout the decade, driven by strong demand despite pressures such as commodity price volatility, regulatory changes, and market access to materials
- Regulatory pressure within the industry continues to push manufacturers to adopt circular economic practices and direct meaningful investment into research and development
- Access to materials is continually affected by tariff concerns and quickly-changing economic policy and foreign relations

### PLASTICS AND CHEMICALS MARKET SIZE



### KEY INDUSTRY TRENDS

#### Automotive demand continues to maintain a consistent level of demand due to alignment of industry standards



The automotive sector influences demand for plastics and chemicals as the shift to electric and hybrid vehicle models continues to progress, the need for specialized components grows. Automotive chemical coatings and finishings continuously evolve to meet increasing regulations while improving and maintaining vehicle performance.

#### Advancement in healthcare technology drives continuous demand for resins and other plastic components



The healthcare industry's need for sterile, disposable medical tools and cleaning agents leads to an increase in the use of plastic and chemicals for everyday products. Given the immense competition within the space, companies are continuously adapting and changing formulas and products to further align with consumer preferences and regulatory guidelines.

#### Resin market expansion and competitive pressures



Robust revenue growth within polyethylene and polypropylene product lines, supported by growing demand from packaging and construction end markets, continues to underpin overall industry performance. At the same time, increasing competition across manufacturing and wholesale distribution channels is driving ongoing enhancements in product offerings and service capabilities.

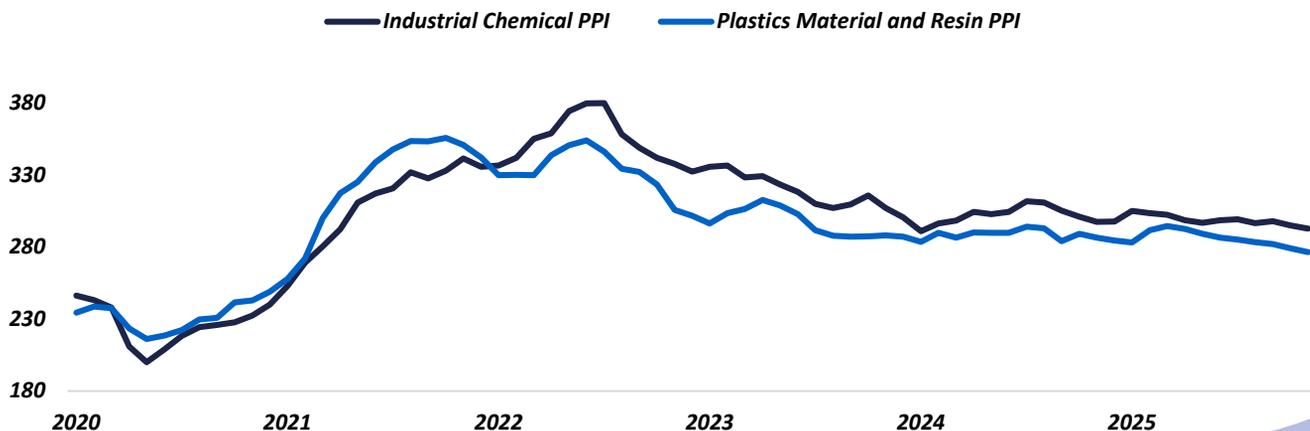
#### Growing demand for bioplastics offers an environmentally friendly alternative to traditional petroleum-based plastics



Due to recent advancements in bioplastic technology, viable alternatives to biobased polymers, are continuing to develop via improved formulas leading to a wide range of products. Furthermore, the US Department of Agriculture's Biobased Development and Access Grant Program subsidizes biobased products.

### RAW MATERIAL PRICING AND PRODUCTION INDICES

The industry is reliant on raw materials and resins, specifically petrochemicals, crude oil, natural gas, and others. Costs are fluid, subject to geopolitical tensions, natural disasters and supply chain disruptions. Instability in the industry's cost structure requires players to frequently adjust pricing strategies to maintain competitiveness and profitability.



Source: Federal Reserve Economic Data, Federal Reserve Bank of St. Louis

**KEY FACTORS IMPACT BUSINESS VALUATION**



	Discounted Valuation		Premium Valuation
<b>Historical and Forecast Growth</b>	< 5%	5% – 10%	10% +
<b>EBITDA Margin</b>	< 10%	10% – 20%	20% +
<b>Revenue Mix</b>	Heavy dependence on narrow set of product offerings and customers	Balanced product line and customers across multiple industries	Diversified product offerings and customers across lucrative industries
<b>End Markets &amp; Concentration</b>	Heavy exposure to cyclical or discretionary end markets	Diversified end markets with some cyclicality	Strong exposure to resilient growth markets
<b>Customer Contracts &amp; Tenure</b>	Short-term or at-will arrangements; limited use of escalation clauses; pricing dictated by customers	3–5-year contracts with some price-increase; moderate churn; mix of local and regional accounts	Multi-year contracts with blue-chip diverse customers, built-in CPI/input escalators, high retention
<b>Raw Material Sourcing</b>	Reliance on small number of suppliers; volatile imported inputs	Multiple suppliers with sourcing rebalance ability	Diversified sourcing with supplier relations; vertically integrated
<b>Innovation, R&amp;D Capability, &amp; Product Pipeline</b>	Minimal R&D investment; portfolio at risk of commoditization or obsolescence	Innovation driven by customer requests; limited product refresh cycle	Formal R&D function; development roadmap; proven innovation track record
<b>Scale &amp; Network</b>	Sub-scale operations with limited operating leverage	Adequate scale with steady organic growth	Scalable platform with excess capacity or bolt-on acquisition potential
<b>Regulatory, Environmental, and ESG Risk</b>	High environmental liability risk; products facing regulatory headwinds or substitution risk	Compliance-driven ESG posture with manageable regulatory exposure; limited capex required for compliance	Sustainability-driven product portfolio; ESG positioned to drive growth, not costs
<b>Brand Strength &amp; Market Reputation</b>	Competes mainly on price with limited brand recognition	Solid regional reputation and reliable services	Trusted brand that supports premium pricing & retention

**KEY AREAS IN WHICH FINNEA GROUP CAN PROVIDE VALUE EARLY IN A TRANSACTION PLANNING PROCESS**

**OBJECTIVE VALUATION ANALYSIS**

A clear view of current market value under various buyer lenses—strategic, private equity, and others.

**POSITIONING STRATEGY**

Determine how best to highlight the Company’s strengths and mitigate perceived weaknesses in a buyer’s eyes.

**TIMING GUIDANCE**

Insight into when the market conditions, Company performance, and buyer appetite align for optimal timing.

**TACTICAL VALUE ENHANCEMENT**

Identification of operational, financial, or customer-related adjustments that can materially improve valuation.

**PREPARATION ROADMAP**

A prioritized list of changes or investments (e.g., operational efficiencies, customer concentration reduction) that could increase the enterprise value ahead of a process.

**SELECT FINNEA GROUP PLASTICS & CHEMICALS EXPERIENCE**

INDIANA PLASTICS, INC.  
PIONEER STEEL

AND

**KRUIS**  
MOLD & ENGINEERING, INC.

HAVE BEEN ACQUIRED BY:

**THUNDERBIRD**

FINNEA GROUP SERVED AS EXCLUSIVE FINANCIAL ADVISOR TO PIONEER STEEL

**FINNEA GROUP**

BLUE WATER  
AUTOMOTIVE SYSTEMS

HAS BEEN ACQUIRED BY:

**Sarna**

FINNEA GROUP SERVED AS EXCLUSIVE FINANCIAL ADVISOR TO BLUE WATER

**FINNEA GROUP**

**COMAR**

HAS BEEN ACQUIRED BY:

**UC Universal Container**

FINNEA GROUP SERVED AS EXCLUSIVE FINANCIAL ADVISOR TO COMAR

**FINNEA GROUP**

**SUSSEX**  
INJECTION MOLDING

HAS BEEN ACQUIRED BY:

**REXAM**

FINNEA GROUP SERVED AS EXCLUSIVE FINANCIAL ADVISOR TO SUSSEX

**FINNEA GROUP**

**CASCADE**  
engineering

HAS ENTERED A JOINT VENTURE WITH:

**Dow**

FINNEA GROUP SERVED AS EXCLUSIVE FINANCIAL ADVISOR TO CASCADE

**FINNEA GROUP**

**ALCO** Plastics Inc.

HAS BEEN ACQUIRED BY:

**MODEL CRAFT, INC.**

FINNEA GROUP SERVED AS EXCLUSIVE FINANCIAL ADVISOR TO ALCO PLASTICS

**FINNEA GROUP**

*Platinum Equity*

FINANCIAL PLANNING AND ANALYSIS CLIENTS FOR

**SOLENIS**

FINNEA GROUP SERVED AS FINANCIAL CONSULTANTS TO PLATINUM EQUITY

**FINNEA GROUP**

**CONFIDENTIAL COATING TECHNOLOGY COMPANY**

FINNEA GROUP CURRENTLY REPRESENTS A COMPANY WITH A PATENTED COATING TECHNOLOGY DESIGNED TO PROTECT AND EXTEND THE LIFE OF PHYSICAL ASSETS.

FINNEA GROUP SERVES AS EXCLUSIVE FINANCIAL ADVISOR

**FINNEA GROUP**



**Tom McDonald**  
Sr. Managing Director  
[tmcdonald@finneagroup.com](mailto:tmcdonald@finneagroup.com)  
312.445.6325



**Jim Klunk**  
Sr. Managing Director  
[jklunk@finneagroup.com](mailto:jklunk@finneagroup.com)  
248.568.7996



**Dustin Hill**  
Managing Director  
[dhill@finneagroup.com](mailto:dhill@finneagroup.com)  
616.249.2505



**Josh Shaw**  
Director  
[jshaw@finneagroup.com](mailto:jshaw@finneagroup.com)  
248.228.0326



**Alex Blitstein**  
Vice President  
[ablitstein@finneagroup.com](mailto:ablitstein@finneagroup.com)  
248.792.3106

*For any questions or inquiries, please reach out to Dustin Hill at [dhill@finneagroup.com](mailto:dhill@finneagroup.com)*



**Chicago, Illinois**

400 N. Michigan Ave  
Chicago, Illinois 60611  
① 312.445.6325



**Birmingham, Michigan**

34977 Woodward Ave, Suite 210  
Birmingham, Michigan 48009  
① 248.792.3000



**Grand Rapids, Michigan**

146 Monroe Center NW, Suite 640  
Grand Rapids, MI 49503  
① 616.649.2505



**Nashville, Tennessee**

4900 Centennial Blvd, Suite 300  
Nashville, TN 37209  
① 615.761.9928