



# Hilco Appraisal Services, LLC

## Plastics Industry Perspective

4TH QUARTER 2012

### PRIMARY RECOVERY FACTORS

- >> Crude oil prices.
- >> Bottled beverage consumption.
- >> Feedstock (MEG and PTA) availability and prices.

### RECENT APPRAISAL EXPERIENCE

- Poly One
- Polyester Fibers
- Ropak
- BWAY
- Southern Film Extruders
- Applied Thermoplastic Resources
- Kronos
- Southern Weaving

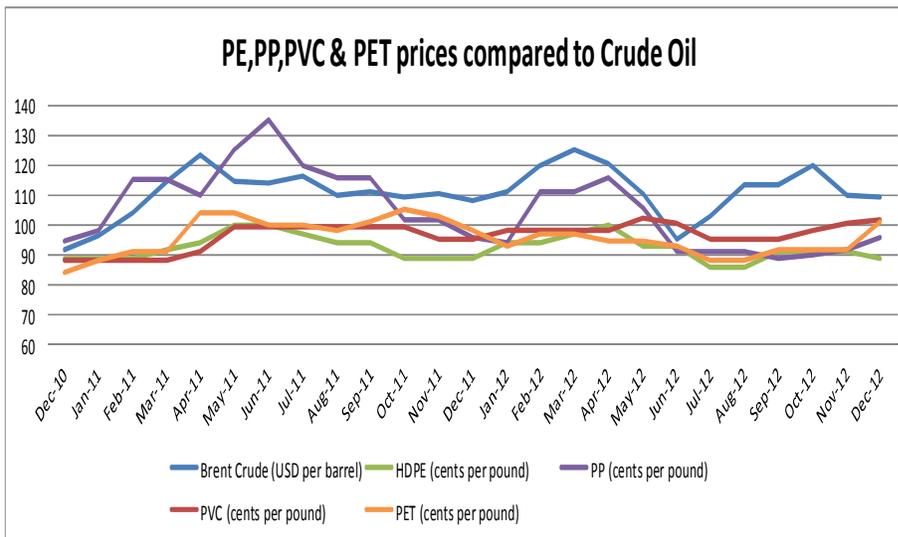
## PET overcapacity and low growth

PET prices rose 14.8% in Q4 2012 from \$0.88 per pound to \$1.01 per pound. The increase in price mainly was tied to raw material price increases.

tion capacity of approximately 20 billion pounds globally and 2 billions pounds in North America. Although production capacity is at an excess to current

PET growth rates have been low and are anticipated to remain that way in the near future. PET bottles have been experiencing "lightweighting" (the use

of less material per bottle). Also, retail sales of soft drinks have been slow due to more health-conscious consumers, and government programs in schools and cities. On the positive side, however, the impact of lightweighting likely has run its course, and is not anticipated



These PET raw materials are currently in tight supply, with minimal capacity anticipated to be added in the near future.

PET resin is estimated to currently have excess produc-

demand, additional PET capacity is scheduled to come on-line with anticipated new plants to be built by M&G group (2.2 billion pounds capacity) and Indorama (1.2 billion pounds).

to impact future revenues.

A potential, but unexpected, area of growth is using PET as a replacement material in thermoforming for cups, blister packs and other similar items.

Kevin Duffy is a Senior Inventory appraiser who specializes in the plastics industry. He has appraised numerous plastics-related companies in North America that are involved in distributing, compounding and manufacturing resins, films, sheets, and molds. Kevin received his B.A. in finance from Illinois State University, and passed the CPA exam in Illinois. Kevin has diverse business experience in accounting, banking, manufacturing, distribution, and retail.



## Hilco Appraisal Services, LLC

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