

Investing in the Performance Materials & Plastics Industry Conference Thought Leader Wrap-Up

Tuesday, May 20, 2025 | Chicago Athletic Association

Keynote: The Road Ahead for Plastics

Troy Nix, Executive Director | MAPP (Manufacturers Association for Plastics Processors)



Troy Nix, drawing on his distinguished background as a West Point graduate and over 35 years of manufacturing experience, delivered a visionary keynote presentation that challenged industry leaders to

rethink their strategies for future growth. Troy emphasized that the tried-and-true methods of the past will not be sufficient to overcome the evolving challenges facing the plastics sector. He underscored the urgency of adopting automation and AI as the industry faces significant demographic shifts and a shrinking workforce. He pointed to the rapid rise of AI-focused sessions at industry conferences and the growing need for automation engineers as evidence of a fundamental shift in business operations. To remain competitive, companies must embrace digital transformation, integrating advanced technologies to optimize efficiency and address labor shortages. Troy also discussed the

broader impact of AI and automation across industries, noting their transformative potential in healthcare and M&A environments.

Finally, Troy addressed the challenges of business transitions and succession planning, particularly for family-owned companies, and the ongoing impact of tariffs and economic uncertainties. He called on leaders to adopt digital strategies, focus on leadership development, and prepare for a future where innovation and adaptability are essential for long-term success.

Key Takeaway: The future of plastics manufacturing depends on embracing automation, AI, and digital transformation to address workforce and competitiveness challenges.

Action Item: Invest in leadership development and automation training and proactively plan for business succession to ensure long-term business resilience.

Agentic AI in Plastics: AI Tactics for Increasing EBITDA

Moderator: Phil Eckenrode, Partner | Benesch

- **AI Agents: Tribal Knowledge Stores, the Cognitive Integration Layer, and the New Agentic AI Enterprise Structure**

Derek Moeller, President | CognitionWorks



Derek Moeller, founder of CognitionWorks, transitioned from running a plastics manufacturing business to building generative AI tools for the sector. He explored how generative AI is revolutionizing the plastics manufacturing industry. Drawing on his firsthand experience in injection molding, extrusion, and thermoforming, Derek detailed the transition from traditional manufacturing to cutting-edge AI solutions designed to address three core knowledge challenges: retrieval (accessing lengthy manuals and work orders), context (maintaining cross-shift and multi-lingual communication), and diffusion (capturing tribal knowledge through video and AI processing). The discussion highlighted practical AI applications across packaging, automotive, industrial, agricultural, and medical sectors, emphasizing the importance of selecting systems with strong OCR capabilities and the ability to link documents to specific equipment.

Derek also underscored the necessity of building a data-driven culture, where generative AI integrates data from SCADA, data historians, and SPC systems to deliver real-time, actionable insights—such as the example of a medical processor using AI to analyze scrap rates and make immediate decisions within minutes. Derek’s presentation previewed advanced AI-driven research in production scheduling, drawing parallels to the complexity of the game of Go but with even greater challenges due to the vast number of possible schedules in facilities with dozens of machines and molds. By leveraging techniques like Monte Carlo Tree Search and neural networks, manufacturers can optimize multiple competing goals, including minimizing changeovers and inventory while maximizing on-time performance.

In summary, the panel demonstrated how generative AI not only streamlines knowledge management and operational efficiency but also empowers manufacturers to make faster, smarter decisions and achieve significant competitive advantages.

Key Takeaway: Generative AI is transforming plastics manufacturing by capturing and digitizing tribal knowledge, automating documentation, and improving cross-shift communication.

Action Item: Prioritize implementing AI tools with strong OCR and translation capabilities to streamline training, knowledge sharing, and operational continuity across shifts.

Agentic AI in Plastics: AI Tactics for Increasing EBITDA

Moderator: Phil Eckenrode, Partner | Benesch

• The Autonomous Molding Machine: Applying New Visual AI Agents to Create Molding Machines that Run Themselves

Edward Schneeweiss, Co-Founder and CEO, **Sebastian Schneeweiss**, Co-Founder and COO | Krevera



Edward and Sebastian Schneeweiss, brothers and founders of Krevera, introduced a transformative vision for the future of plastics manufacturing: autonomous molding machines powered by advanced visual AI agents. They explained how their all-in-one, turnkey solution leverages the latest AI technology to automate quality control and process optimization for plastic injection molding machines, eliminating the need for costly and time-consuming DIY projects. At the heart of Krevera's approach is the integration of robust visual AI agents that continuously monitor production, detect defects, and make real-time adjustments to ensure optimal machine performance—effectively enabling machines to run themselves with minimal human intervention.

These visual AI agents, built on modern vision language models, are designed to be highly adaptable and resilient, capable of handling environmental changes such as lighting variations or equipment disruptions without frequent recalibration. By analyzing detailed defect data—including type, size, and location—the system provides actionable insights for predictive maintenance and process optimization, dramatically reducing scrap rates and improving product quality. Krevera's technology integrates seamlessly with existing factory equipment via industry-standard protocols like OPC UA, ensuring easy adoption and scalability.

The presentation highlighted real-world outcomes: significant reductions in labor, maintenance, and scrap costs, as well as increased uptime and productivity. Krevera's solution is positioned as a collaborative partner for manufacturers, requiring no additional work from their teams while delivering measurable ROI and operational excellence. Ultimately, Krevera's autonomous molding machines represent a leap forward in smart manufacturing, offering manufacturers a future-ready, hands-off approach to quality control and process optimization.

Key Takeaway: Visual AI agents enable autonomous, real-time defect detection and process optimization, making molding machines more self-sufficient and reducing scrap.

Action Item: Integrate robust, adaptable AI vision systems with your existing equipment to enable hands-off quality control and proactive predictive maintenance.

M&A Trends

Moderator: Megan Mehalko, Partner | Benesch

Magnus Berglund, Senior Vice President, Strategy, M&A | HEXPOL Group

Chuck Forrestal, President | Newbury Franklin Industrials Molding/Metro Plastics Technologies/
Moldtech Rubber

JT Schroeder, Managing Director | NorthView Advisors

John Hart, Managing Director | PMCF Investment Banking



The M&A Trends panel provided a comprehensive look at the dynamic landscape of mergers and acquisitions in the plastics sector. After a historic surge in deal activity from late 2020 through 2021 — fueled by pent-up demand post-COVID — the industry faced challenges in 2022 and 2023, before rebounding in early 2025 as market conditions stabilized and domestic deal proportions returned to previous highs. Tariff uncertainties and interest rate fluctuations have played a significant role in shaping deal flow, particularly affecting cross-border transactions in regions like Mexico and Canada.

Leadership and cultural fit emerged as central themes for successful M&A. The panel emphasized that, beyond financial analysis, selecting the right leader to rebuild trust and maintain legacy is crucial for long-term growth. Cultural considerations are now as important as financial metrics, with effective strategies including transitional incentives for retiring owners and ensuring ongoing involvement for those seeking liquidity. The case of Rex Paul, a Swedish polymer compounder, illustrated

the power of a disciplined buy-and-build strategy. By making strategic bolt-on acquisitions and expanding to 52 manufacturing sites, Rex Paul transformed from a \$300 million company at IPO to a \$2 billion leader with ambitious growth targets.

For family-owned businesses, the emotional and cultural dimensions of selling are especially pronounced. Successful transactions require careful due diligence, including plant visits and cultural assessments, to match buyers who respect the company's legacy. The panel also stressed the importance of business sale readiness, noting that many companies require years of professionalization before they are market ready. Quality of earnings (QoE) analysis was highlighted as a critical step — providing transparency and confidence for both buyers and sellers by validating cash flows and accounting practices.

Finally, the panel underscored the necessity of assembling a competent transactional team, including M&A legal counsel, tax advisors, and accounting experts. Relying on inexperienced individuals can lead to costly mistakes, while a specialized team ensures a smoother process and better outcomes.

Key Takeaway: Successful M&A requires early integration planning, with a strong focus on cultural alignment and leadership assessment before the deal closes.

Action Item: Assemble a specialized M&A team (legal, tax, accounting, and investment banking experts) and begin cultural integration planning early in the process to ensure smooth transitions.

North America Supply Chain: Opportunities and Challenges

Moderator: Alan Rothenbuecher, Partner | Benesch

Jonathan Todd, Partner | Benesch

Michael Devereux, Partner & Manufacturing Industry Leader | Wipfli

Ryan Jones, COO, Co-Owner, Manager | Jones Plastic & Engineering

Gavin Simpson, VP, Global Supply Chain | Century Mold



The North America Supply Chain panel addressed the complex and evolving landscape facing manufacturers today, highlighting both opportunities and persistent challenges. Supply chain operations are under increasing pressure to deliver higher performance with fewer resources, compounded by tariff impacts, cost pressures, and stringent customer requirements. The panel emphasized the importance of building strong, flexible relationships with foreign suppliers through a trust-and-verify approach, as well as ongoing investment in supplier development. This partnership-focused strategy is essential for managing risks and maintaining competitiveness amid global uncertainties.

Tariff management emerged as a recurring theme, with panelists stressing the need for accurate HTS code verification and robust processes to avoid unexpected charges and disruptions. The discussion covered the complexities of mold tariffs, including the risks of misclassifying tooling values and the importance of meticulous accounting for “assists” to avoid costly customs penalties. Strategies for minimizing duties—such as segregating US-based engineering and IP from

foreign components—were shared, alongside warnings about the risks of transshipping and the necessity of strict compliance with USMCA/NAFTA origin rules.

Looking ahead, panelists noted the uncertainty surrounding USMCA renegotiations and the potential for new tariffs affecting cross-border trade. The decision to reshore or nearshore supply chains was discussed as a balancing act between reducing tariff risk and lead times versus higher domestic production costs. Alternative sourcing from regions like Portugal, South Korea, and India was presented as a way to diversify risk and capitalize on favorable lead times and costs, though state tax implications in the US add further complexity.

The panel also explored the impact of proposed tax legislation on R&D and production, emphasizing the need for businesses to stay informed about changes to bonus depreciation and production property deductions. A clear understanding of Incoterms was highlighted as crucial for managing shipping responsibilities and costs in international trade. Finally, supply chain security, including CTPAT compliance, cybersecurity risk management, and customs best practices—was underscored as vital for protecting goods in transit and responding effectively to regulatory inquiries.

Key Takeaway: Building flexible, trust-based supplier relationships and staying compliant with evolving tariffs and tax regulations are essential for supply chain resilience.

Action Item: Regularly review and update your supply chain strategy to include diversified sourcing and ensure ongoing compliance with the latest regulatory changes to mitigate risks.

Post Deal Closing: Moving Forward with Integration and Unification

Moderator: Megan Mehalko, Partner | Benesch

Tonya Getz, Vice President and Corporate Controller | GEON Performance Solutions, LLC

Bob Girton, Managing Partner | Edgewater Capital Partners

Ted Morgan, Partner | Plante Moran



The Post Deal Closing panel provided attendees with actionable insights into the critical process of integrating companies following an M&A transaction. Panelists stressed that successful integration is a strategic imperative that demands early planning—beginning with top-level conversations and ongoing, human-centered engagement. The process is both offensive, focusing on value creation and growth, and defensive, emphasizing risk management and cultural alignment. Challenges often arise when merging owner-operated companies with larger corporate structures, making cultural assessments and change management central to a smooth transition.

Effective integration requires strong leadership and a clear, communicated vision to guide teams through change and combat fatigue. Continuous engagement and

relationship-building are essential, as even compatible cultures can face integration hurdles if execution falters. The panel highlighted the importance of promptly addressing incompatibilities among legacy or family members, whose actions can disrupt morale and efficiency if not managed decisively. Retaining key talent is another priority, with retention bonuses and transparent communication about future opportunities proving vital for employee buy-in and stability. On the technology front, early IT system integrations such as email, SharePoint, and ERP platforms, is fundamental for operational continuity and synergy realization. Leveraging AI and data assets further enhances decision-making and process optimization.

Financial integration is equally crucial, requiring immediate access to bank accounts and timely consolidation of financial data to support reporting and lender requirements. Ultimately, the panel underscored that structured, proactive integration—spanning culture, technology, and finance—is essential for achieving post-deal success and unlocking the full potential of M&A transactions.

Key Takeaway: Effective post-deal integration hinges on clear leadership vision, continuous communication, and rapid cultural alignment.

Action Item: Immediately after closing, prioritize IT and financial system integration and maintain open, transparent communication with all teams to accelerate operational efficiency and support accurate reporting.



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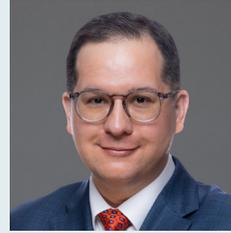
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