



Seale & Associates

PAPER INDUSTRY
Q3 2023
VALUATION UPDATE

Introduction

We are pleased to share our Paper Industry Multiples Valuation Update for Q3 2023.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our client's strategic objectives in a range of transactions, including **Mergers, Acquisitions, Divestitures and Carve-Outs, Business Sales, Recapitalizations, and Joint Ventures**, among other corporate finance and strategy consulting services.

Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our Paper Industry clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

Seale has extensive experience advising leading multinational companies, private equity firms, and family-owned businesses across a wide range of industries.



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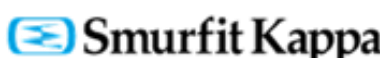


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Pulp and Paper Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Empresas CMPC S.A.		CHL	\$4,580	\$8,886	\$8,253	18.2%	16.9x	5.4x	5.9x	1.1x
Klabin S.A.		BRA	\$5,279	\$10,041	\$3,726	39.9%	10.4x	6.6x	6.7x	2.7x
Mercer International Inc.		CAN	\$570	\$1,786	\$2,106	9.7%	7.8x	3.4x	8.7x	0.8x
Nippon Paper Industries Co., Ltd.		JPN	\$1,041	\$6,498	\$7,938	4.3%	10.0x	10.4x	19.2x	0.8x
Sappi Limited		ZAF	\$1,303	\$2,477	\$5,809	11.9%	10.5x	4.4x	3.6x	0.4x
Semapa - Sociedade de Investimento e Gestão, SGPS, S.A.		PRT	\$1,150	\$2,751	\$3,005	28.5%	6.3x	4.3x	3.2x	0.9x
Suzano S.A.		BRA	\$14,014	\$26,242	\$8,761	61.8%	9.1x	5.5x	4.8x	3.0x
Svenska Cellulosa Aktiebolaget SCA (publ)		SWE	\$9,664	\$10,863	\$1,917	30.5%	38.0x	14.7x	18.6x	5.7x
The Navigator Company, S.A.		PRT	\$2,686	\$3,349	\$2,228	31.6%	10.2x	7.4x	4.8x	1.5x
UPM-Kymmene Oyj		FIN	\$18,329	\$21,741	\$11,812	21.9%	12.4x	10.9x	8.4x	1.8x
						Mean	9.6x	5.3x	5.8x	1.1x
						Median	10.3x	6.0x	6.3x	1.3x

■ Excluded from mean and median

Paper Products Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Clearwater Paper Corporation	 USA	\$606	\$1,144	\$2,097	12.3%	5.4x	5.6x	4.4x	0.5x	
International Paper Company	 USA	\$12,273	\$17,803	\$19,448	14.6%	8.3x	5.9x	6.3x	0.9x	
Irani Papel e Embalagem S.A.	 BRA	\$608	\$812	\$324	38.8%	7.5x	4.6x	6.5x	2.5x	
Metsä Board Oyj	 FIN	\$2,903	\$3,337	\$2,249	18.6%	9.7x	6.8x	8.0x	1.5x	
Miquel y Costas & Miquel, S.A.	 ESP	\$447	\$452	\$352	21.5%	5.9x	5.6x	6.0x	1.3x	
Mondi plc	 GBR	\$8,123	\$9,813	\$8,762	16.5%	9.4x	6.8x	6.8x	1.1x	
Smurfit Kappa Group Plc	 IRL	\$8,642	\$12,017	\$12,984	17.3%	9.6x	7.4x	5.4x	0.9x	
Stora Enso Oyj	 FIN	\$10,057	\$13,379	\$10,675	16.2%	12.3x	7.5x	7.8x	1.3x	
Sylvamo Corporation	 USA	\$1,840	\$2,761	\$3,684	20.2%	3.4x	4.3x	3.7x	0.7x	
■ Excluded from mean and median						Mean	6.1x	5.2x	5.4x	1.0x
						Median	8.3x	5.9x	6.3x	1.1x

Paper Industry – Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Sep-23	Sunila Pulp Mill Technology and Investment Department	FIN	Operates a pulp mill technology and investments related	 Etteplan	 stordenso	100.0%	-	-	-
Sep-23	Perfect 10 Card Company, LLC	USA	Manufactures sealed sports hobby boxes and graded 10 sports cards	 RICKLEY	-	100.0%	-	-	-
Aug-23	Glatfelter Oberschmitt GmbH	DEU	Operates a medium sized paper mill that specializes in glassine	Ostrest GmbH	 GLATFELTER	100.0%	-	-	-
Aug-23	 HANKUK PAPER	KOR	Specializes in the production of printing and writing paper	 seha corp	 HAESUNG INDUSTRIAL	100.0%	-	-	-
Aug-23	Engineered Papers Business	USA	Operates a paper business	Evergreen Hill Enterprise Pte. Ltd.	 mativ	100.0%	\$620.0	6.5x	1.2x
Jul-23	Stenpa Paper Mill	FRA	Operates as a paper mill	 ACCURSIA CAPITAL	 AHLSTROM	100.0%	-	-	-
Jul-23	 Cepi	CHE	European association representing the paper industry	 PRO CARTON PACKAGING FOR A BETTER WORLD	-	Merger	-	-	-
Jul-23	Hinton Pulp Mill	CAN	Operates as a pulp and paper mill	 mondi	 West Fraser	100.0%	\$5.0	-	-

Selected Transactions Commentary



"The agreement strengthens Etteplan's position and capabilities especially in maintenance engineering. I wish the Technology and Investments team warmly welcome to Etteplan... The agreement with Stora Enso demonstrates that our outsourcing solutions are effective and offer viable opportunities to companies in times of change."

Riku Riikonen, SVP of Engineering Solutions of Etteplan



"The proposed sale of Engineered Papers is a key milestone in the transformation of Mativ and aligns with our strategy to focus our efforts, accelerate growth, and drive value for our shareholders. This pivotal action positions our portfolio for faster growth and focuses our resources on categories with the most promising revenue and margin expansion opportunities."

Julie Schertell, CEO of Mativ



"With this transaction, Accursia Capital pursues its strategy of expanding its paper-based packaging activities which now has a total annual production capacity of 130,000 tons and more than EUR 100m in revenues."










Martin Scheiblegger, CEO of Accursia Capital



"The acquisition of Hinton is an excellent opportunity for us to secure locally produced kraft paper for our bags customers, helping to meet the current and anticipated future growth in demand for industrial and mailer bags in the Americas."

Andrew King, CEO of Mondi Group

Private Equity Transactions

INDUSTRY CLASIFICATION	PERIOD	AVERAGE ENTERPRISE VALUE (IN USD)	REVENUE (IN USD)	TTM REVENUE GROWTH	ENTERPRISE VALUE / REVENUE	EBITDA MARGIN	ENTERPRISE VALUE /EBITDA	NUMBER OF TRANSACTIONS
 Paper Manufacturing <i>NAICS 322 – Paper Manufacturing</i>	 2018-2023	 \$60.7M	 \$64.7M	 8.9%	 1.1x	 15.4%	 7.4x	 8
Other Converted Paper Product Manufacturing <i>NAICS 3229– Other Converted Paper Product Manufacturing</i>	2015-2021	\$83.6M	\$149.4M	8.9%	1.0x	16.1%	7.0x	4

Notes:

- Data obtained via GF Data, a subscription-based information platform, offering detailed information and metrics about the transactions of Private Equity funds in the U.S.
- The data is provided under a blind confidential format. Users of the data are unable to identify the exact company and transaction corresponding to the transaction details. Given this blind approach, the data submitted is less likely to be biased or manipulated.

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One of our core capabilities is to deliver sector-specific intelligence designed specifically for industry leaders, private equity firms, and their advisors. Our industry reports and featured articles deliver real-time access to key industry data, including:



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S U S C R I B E

Representative Global Engagements

 <p>INMAGUSA Grupo Galaz, S.A de C.V.</p> <p>has been acquired by</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has sold its Sanitaryware business units ST. THOMAS CREATIONS and VITROMEX to </p>	 <p>has sold</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has been acquired by</p> 	  <p>acquired</p> <p>The Zinc Recycling Business of</p> 
 <p>acquired</p>  <p>Automotive dealerships from</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has sold</p> <p>Kidde de Mexico, S.A. de C.V. Fire Safety Solutions Business</p> <p>to an affiliate of</p> 	 <p>has sold its concrete pumping business</p> <p>to</p> 	<p>CORPORACION</p>  <p>has sold</p>  <p>to</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 
 <p>has been acquired by</p> 	<p>intelectiva®</p> <p>has acquired</p>  <p>KFC Costa Rica from</p> 	 <p>Multiple acquisitions</p> 	 <p>has partnered with</p>  <p>a subsidiary of</p> 	 <p>has been acquired by</p> 	 <p>has merged its Beverage Division with</p> 	 <p>has merged its Beverage Division with</p> 

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Please contact us if you would like further information about M&A trends and/or specific transaction multiples for your industry

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For over 25 years, Seale & Associates has served leading public and private companies from around the world and operating in a broad range of industries with a high level of quality, integrity and independence while presenting innovative ideas and trusted solutions to address their most complex dealings.

25

YEARS OF EXPERIENCE

\$50B+

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We have worked repeatedly with many of the most well-known companies in the world...

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