

The background of the slide is a photograph of industrial machinery from a paper mill, featuring large rollers and belts. The entire image is covered with a semi-transparent blue filter. The text is overlaid on the bottom right portion of the image.

# Seale & Associates

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PAPER INDUSTRY  
Q4 2024  
VALUATION UPDATE

25 years



# Introduction

We are pleased to share our Paper Industry Multiples Valuation Update for Q4 2024.

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 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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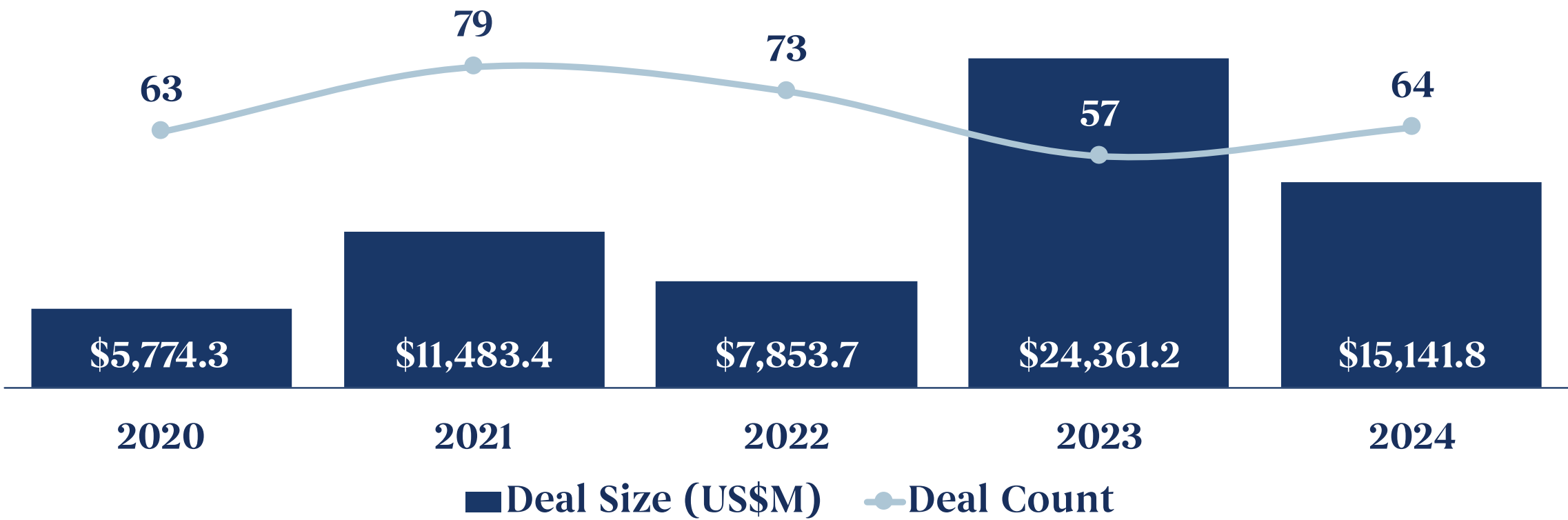
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# Paper Industry Overview, M&A Trends and Market Intelligence

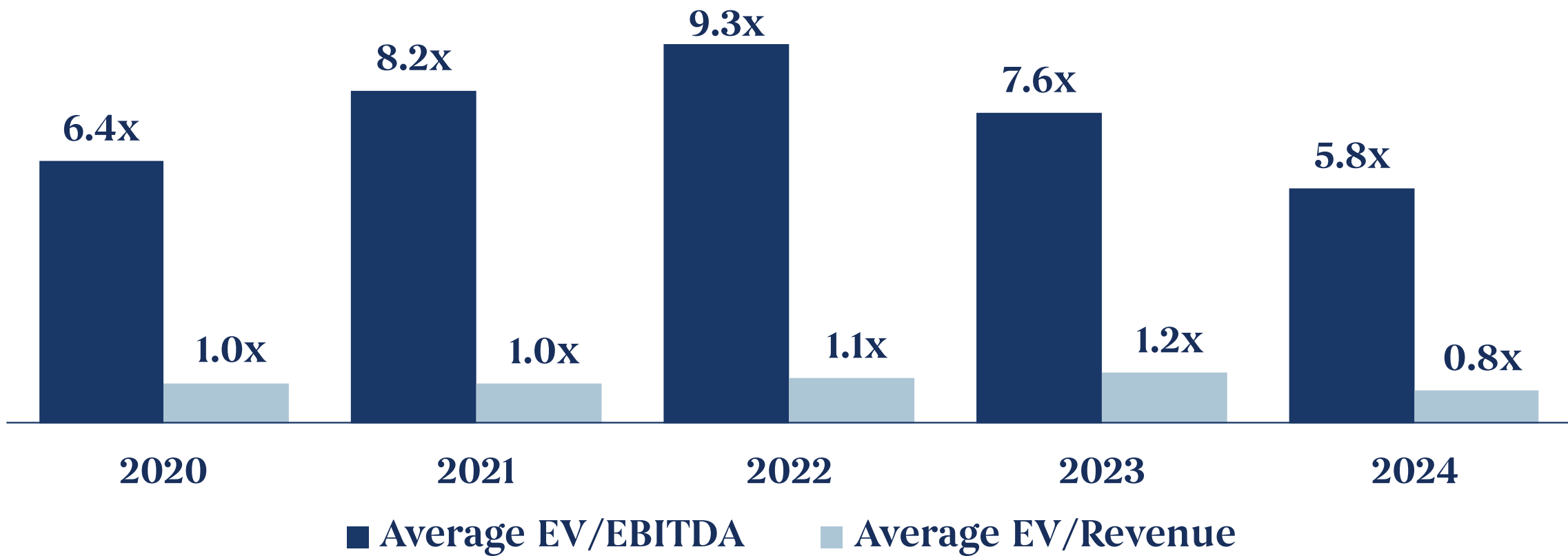
## Paper industry overview

- The paper industry size was valued at **US\$354.3 billion in 2023**, and is expected to grow to **US\$372.7 billion in 2029 at a CAGR of 0.7%**
- The industry is adopting **cutting-edge technologies** to improve production efficiency and sustainability. Companies are investing in automation, artificial intelligence, and improved recycling processes to stay competitive
- Companies are focusing on **cost optimization** strategies to manage rising raw material and production costs. This includes optimizing **supply chains** and adopting **more efficient** production methods
- The paper industry is experiencing increased **consolidation** as companies seek to strengthen their market position and improve economies of scale. Recent **M&A** are **driven** by the need to enhance production capabilities and expand product portfolios
- The focus on **sustainability** is growing, with **companies acquiring firms with advanced recycling and sustainable production technologies** to meet increasing environmental regulations and consumer demand for eco-friendly products
- **Vertical integration** is becoming more common through **M&A**, as companies seek to secure their supply chains and reduce dependency on external suppliers. This trend is evident in acquisitions focused on controlling raw material sources and improving production efficiency

Paper Industry M&A Deal Size and Volume













Paper Industry M&A Average EV/EBITDA and EV/Revenue












Source: McKinsey and Co., Euromonitor, PaperAge, Paper World Insights, Future Market Insights







# Pulp and Paper Industry Global Comparable Public Companies

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2024 EV/ EBITDA		EV/ Revenue
							2023	2024			
Empresas CMPC S.A.		CHL	\$3,927	\$8,538	\$7,743	17.6%	4.2x	7.8x	6.3x		1.1x
Klabin S.A.		BRA	\$4,651	\$9,960	\$3,176	35.7%	6.4x	8.2x	8.8x		3.1x
Mercer International Inc.		CAN	\$435	\$1,812	\$2,043	6.2%	9.9x	62.6x	14.4x		0.9x
Nippon Paper Industries Co., Ltd.		JPN	\$639	\$5,365	\$7,499	7.6%	17.2x	10.5x	9.4x		0.7x
Sappi Limited		ZAF	\$1,564	\$2,863	\$5,549	10.2%	3.0x	6.4x	5.1x		0.5x
Semapa - Sociedade de Investimento e Gestão, SGPS, S.A.		PRT	\$1,173	\$2,861	\$2,966	24.6%	2.8x	3.8x	3.9x		1.0x
Suzano S.A.		BRA	\$12,379	\$24,890	\$7,664	46.1%	4.7x	7.3x	7.0x		3.2x
Svenska Cellulosa Aktiebolaget SCA (publ)		SWE	\$8,908	\$10,179	\$2,035	21.9%	16.5x	26.0x	22.8x		5.0x
The Navigator Company, S.A.		PRT	\$2,643	\$3,437	\$2,171	26.8%	4.3x	6.3x	5.9x		1.6x
UPM-Kymmene Oyj		FIN	\$14,665	\$18,137	\$10,704	17.1%	8.8x	12.7x	9.9x		1.7x
■ Excluded from mean and median						Mean	5.5x	7.9x	8.4x		1.5x
						Median	5.6x	8.0x	7.9x		1.3x

# Paper Products Industry Global Comparable Public Companies

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2024 EV/ EBITDA		EV/ Revenue
							2023	2024			
Clearwater Paper Corporation		USA	\$493	\$1,619	\$1,384	14.7%	4.4x	5.2x	7.9x		1.2x
International Paper Company		USA	\$18,698	\$23,554	\$18,619	12.0%	5.8x	8.7x	10.5x		1.3x
Irani Papel e Embalagem S.A.		BRA	\$260	\$437	\$257	35.8%	6.0x	5.9x	4.8x		1.7x
Metsä Board Oyj		FIN	\$1,605	\$2,133	\$2,007	3.3%	7.1x	24.5x	32.5x		1.1x
Miquel y Costas & Miquel, S.A.		ESP	\$506	\$511	\$318	26.8%	7.0x	5.9x	6.0x		1.6x
Mondi plc		GBR	\$6,579	\$8,773	\$7,442	12.6%	5.9x	8.6x	9.3x		1.2x
Smurfit Westrock Plc		IRL	\$27,910	\$41,917	\$21,109	12.7%	5.6x	12.2x	15.6x		2.0x
Stora Enso Oyj		FIN	\$7,927	\$11,631	\$9,368	9.5%	7.0x	17.4x	13.0x		1.2x
Sylvamo Corporation		USA	\$3,240	\$3,996	\$3,773	17.1%	3.7x	6.1x	6.2x		1.1x
■ Excluded from mean and median						Mean	5.8x	7.5x	9.2x		1.4x
						Median	5.9x	8.6x	9.3x		1.2x

# Paper Industry – Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Dec-24	Prado-Cartolinas da Lousã S.A.	PRT	<b>Newpal Investimentos</b> acquired <b>Prado-Cartolinas da Lousã</b> , a historic Portuguese producer of high-weight cardstock, to expand its industrial portfolio	Newpal Investimentos	Atena Equity Partners - SCR, S.A.	100.0%	-	-	-
Oct-24		USA	<b>Foundation Investment Partners</b> , a private equity firm, acquired <b>Ampak</b> , a South Carolina-based producer of specialty packaging products		NA	100.0%	-	-	-
Oct-24		SWE	<b>Strategic Value Partners</b> , an investment firm, acquired 75.9% of <b>Nordic Paper Holding</b> , a Swedish specialty paper producer, to enhance its presence in the specialty paper market		Shanying International Holdings Co.,Ltd	75.9%	\$347.2	5.7x	1.0x
Oct-24	Port Huron Mill	USA	<b>BMI Group</b> , a real estate development firm, acquired the <b>Paper Mill in Port Huron</b> , Michigan, to establish the Port Huron Multimodal Hub and expand into the U.S. market	BMI Group	NA	100.0%	-	-	-
							<b>Mean</b>	5.7x	1.0x
							<b>Median</b>	5.7x	1.0x



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 <p>has sold</p>  <p>and</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p>  <p>Driving Safety Forward™</p>	 <p>has sold</p>  <p>A division of Carrier Commercial Refrigeration, Inc.</p> <p>to</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has acquired</p> 	 <p>has been recapitalized by</p> 





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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

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