

A close-up photograph of a paper mill machine. A large roll of paper is being processed by a series of rollers and mechanical components. The foreground shows a grey metal structure, possibly a conveyor or part of the machine's frame. The background is slightly blurred, showing more of the industrial environment.

Seale & Associates

PAPER INDUSTRY
Q2 2023
VALUATION UPDATE

Introduction

We are pleased to share our Paper Industry Multiples Valuation Update for Q2 2023.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our clients' 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 that 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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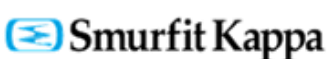


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Pulp & Paper Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Second Quarter Jun. 30, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Empresas CMPC S.A.	 CHL	\$4,778	\$8,899	\$8,220	22.0%	16.9x	5.4x	4.9x	1.1x	
Iberpapel Gestión, S.A.	 ESP	\$180	\$137	\$315	10.2%	12.7x	8.6x	4.2x	0.4x	
JK Paper Limited	 IND	\$661	\$913	\$784	33.9%	7.6x	6.9x	3.4x	1.2x	
Klabin S.A.	 BRA	\$4,994	\$10,147	\$4,037	38.5%	10.4x	6.6x	6.0x	2.4x	
Mercer International Inc.	 CAN	\$536	\$1,636	\$2,211	18.6%	7.8x	3.4x	3.9x	0.7x	
Nippon Paper Industries Co., Ltd.	 JPN	\$946	\$6,330	\$8,671	3.5%	10.0x	10.4x	19.1x	0.8x	
Sappi Limited	 ZAF	\$1,165	\$2,318	\$6,843	13.4%	10.5x	4.4x	2.6x	0.4x	
Semapa - Sociedade de Investimento e Gestão, SGPS, S.A.	 PRT	\$1,135	\$2,413	\$3,436	28.1%	6.3x	4.3x	2.4x	0.7x	
Suzano S.A.	 BRA	\$11,990	\$24,848	\$10,144	56.6%	9.1x	5.5x	4.0x	2.3x	
Svenska Cellulosa Aktiebolaget SCA (publ)	 SWE	\$8,950	\$10,005	\$2,222	33.4%	38.0x	14.7x	13.8x	4.7x	
The Navigator Company, S.A.	 PRT	\$2,410	\$2,832	\$2,690	30.5%	10.2x	7.4x	3.4x	1.0x	
UPM-Kymmene Oyj	 FIN	\$15,877	\$19,123	\$13,038	21.1%	12.4x	10.9x	6.7x	1.5x	
■ Excluded from mean and median						Mean	9.7x	6.7x	4.2x	1.1x
						Median	10.1x	6.6x	4.0x	1.0x

Sources: Capital IQ, Mergermarket, TTR

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		Second Quarter Jun. 30, 2023 EV/EBITDA		
						2021	2022	EV/EBITDA	EV/Revenue	
Clearwater Paper Corporation		USA	\$530	\$1,094	\$2,117	10.7%	5.4x	5.6x	4.4x	0.5x
International Paper Company		USA	\$11,040	\$16,671	\$20,944	13.7%	8.3x	5.9x	5.3x	0.8x
Irani Papel e Embalagem S.A.		BRA	\$465	\$637	\$333	29.2%	7.5x	4.6x	6.1x	1.8x
Metsä Board Oyj		FIN	\$2,745	\$2,952	\$2,657	13.9%	9.7x	6.8x	5.3x	1.1x
Miquel y Costas & Miquel, S.A.		ESP	\$484	\$500	\$362	18.4%	5.9x	5.6x	7.3x	1.4x
Mondi plc		GBR	\$7,390	\$9,040	\$9,514	18.6%	9.4x	6.8x	4.8x	0.9x
Smurfit Kappa Group Plc		IRL	\$8,579	\$11,872	\$13,696	16.9%	9.6x	7.4x	4.8x	0.8x
Stora Enso Oyj		FIN	\$9,325	\$12,678	\$12,606	16.8%	12.3x	7.5x	5.3x	1.0x
Sylvamo Corporation		USA	\$1,722	\$2,642	\$3,766	19.8%	3.4x	4.3x	3.3x	0.7x
■ Excluded from mean and median						Mean	7.4x	6.1x	5.2x	1.0x
						Median	7.9x	5.9x	5.3x	0.9x

Paper – Q2 Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Jun-23	 ditar	COL	Offers printing services in different formats	BluLabs LLC	-	ND	-	-	-
Jun-23	 THE STANDARD GROUP	USA	Manufactures and converts custom printed paperboard packaging products	 PaperWorks	-	100.0%	-	-	-
Jun-23	 uniplast Wir leben Becher	DEU	Manufactures paper and plastic packaging cups	-	 BLUE CAP	100.0%	-	-	-
May-23	886381 Ontario Inc.	CAN	Manufactures adhesive papers and adhesive films	Lintec Corporation, MACtac Canada Ltd	-	100.0%	\$50.5	-	-
May-23	Thunder Bay Pulp and Paper Mill	CAN	Produces kraft pulp, paper, newsprint, and directory	 ATLAS HOLDINGS	 resolute Forest Products	100.0%	-	-	-
May-23		USA	Manufactures multiwall and wovenpoly laminated sacks	 GELPAC	-	100.0%	-	-	-
May-23	Assets of Graf-Pak Inc.	CAN	Prints and manufactures folding cartons	 SupremeX	 GRAF PAK	ND	\$4.5	-	0.9x
May-23		IND	Manufactures and supplies paper cups and plastic lids	 Manjushree Packtek SUSTAINABLE PAPER PACKAGING	-	100.0%	-	-	-
Apr-23	 S.A. GREETINGS (PTY) LTD	ZAF	Designs, manufactures, and distributes greeting cards	 cardfactory	-	100.0%	\$3.1	-	-
Apr-23		PRT	Produces folding cartons, luxury gift boxes, countertop POS displays, and publishing products	 Antajon	-	100.0%	-	-	-
Apr-23	 MAXSTICK	USA	Produces thermal label products	 ICONEX	-	100.0%	-	-	-

ND: Not Disclosed

Private Equity Transactions

INDUSTRY CLASSIFICATION	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 <small>NAICS 322 – Paper Manufacturing</small>	 2018-2023	 \$60.7M	 \$64.7M	 8.9%	 1.1x	 15.4%	 7.4x	 8
Other Converted Paper Manufacturing <small>NAICS 32229– Other Converted Paper Manufacturing</small>	2015-2021	\$83.6M	\$93.2M	8.9%	1.1x	17.8%	7.0x	4

Source: GF Data

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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S U S C R I B E

Representative Global Engagements

 has acquired 	 has acquired 	 has sold Triumph Processing - Embee Division to 	 has sold Triumph Air Repair & Triumph Engines businesses to 	 has acquired unified brands from 	 has partnered with a company backed by 	 has acquired 	 has sold the North American guarding business of to 	 has sold to 	 has sold to 	 a subsidiary of has sold to
 has sold to Daives Baird Pty Ltd a sister company of 	 has acquired 	 has sold to Code Flower Inc.	 has sold its GRACE Membranes Business a subsidiary of 	 has sold and to 	 has sold a controlling interest to 	 has been acquired by 	 has sold SENSI CARE and ALOE+VESTA to 	 has sold their Sanitaryware Manufacturing Plant to 	 has acquired Multiple snack companies 	 has sold to
 has sold Commercial Flight Training Business to 	 has been acquired by 	 has sold Oxbow Sulphur, Inc. to 	 has been acquired by 	 has sold to 	 has acquired 	 has acquired 	 has acquired 	 has sold its SYCAR Resins business to 	 has sold to Private Equity Partners	 has been acquired by
 has sold to 	 has acquired KFC Costa Rica from 	 has been acquired by 	 has sold to 	 has sold the Films Business of to 	 has been acquired by 	 has sold to 	 Oxbow's Senior Subordinated debt issued by was refinanced by 	 has sold to 	 has acquired from THE MOORE COMPANY	 sold its concrete pumping business to

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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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