

Seale & Associates

Creative Solutions. Trusted Advice.



PAPER
INDUSTRY

Q2
2021

VALUATION
UPDATE

INTRODUCTION

We are pleased to share our Paper Industry Valuation Update for Q2 2021.

At Seale & Associates, we are committed to provide process-driven solutions designed to optimize value and achieve our clients' strategic objectives on 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 20 years we have been successfully serving clients all over the world, and we are delighted to provide investment banking advisory services to our Paper Industry clients that are looking to grow through acquisitions or optimize their portfolio through strategic divestitures.

Seale has extensive experience advising companies that engage in the production and distribution of paper, and those that engage in printed media, such as newspapers and magazines. Additionally, Seale has advised leading multinationals, private equity firms and family owned businesses across a wide range of industries.

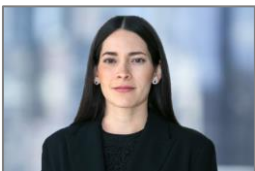
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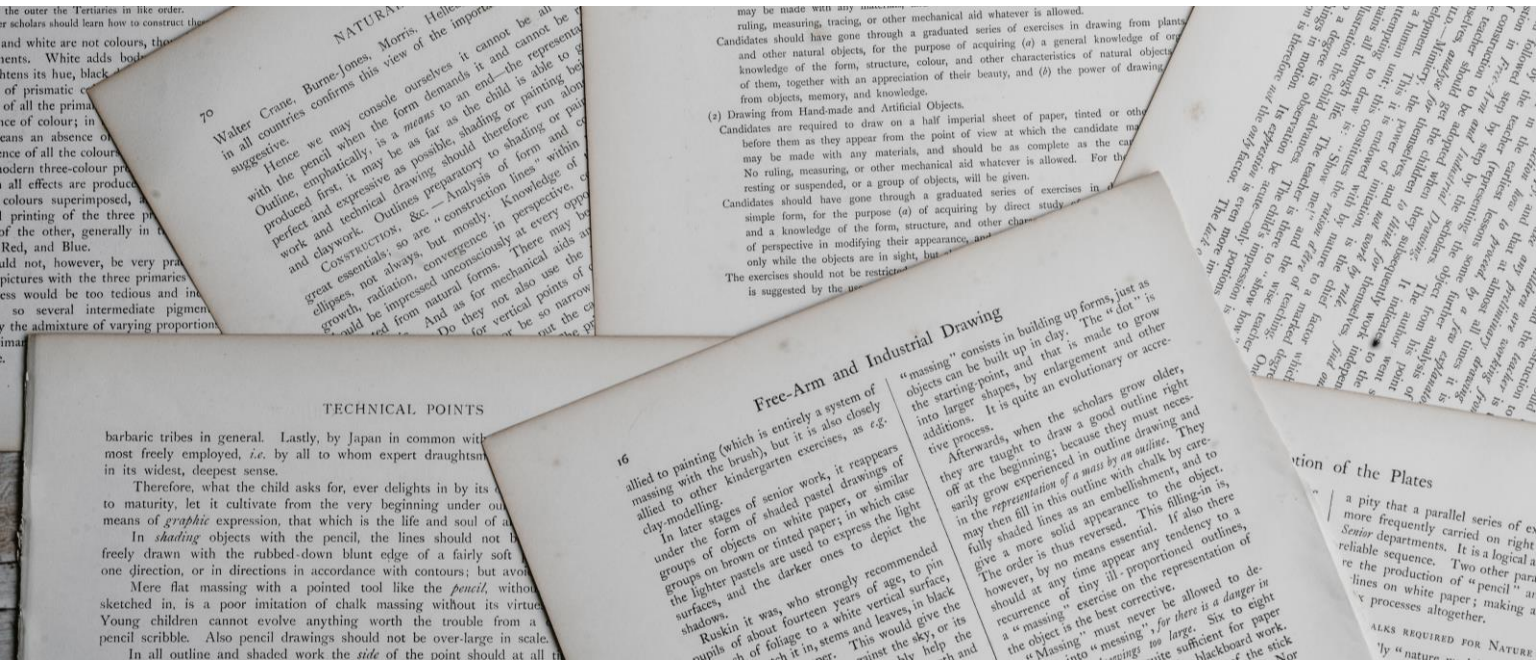
Washington, D.C. ♦ Mexico City ♦ Miami ♦ Monterrey

PULP & PAPER

GLOBAL COMPARABLE PUBLIC COMPANIES

The following table includes companies that primarily produce, market, distribute and sell paper and pulp, including writing and printing paper that is used and transformed in other industries









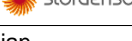
Company	Country	Market Cap. US\$MM	Enterprise Value US\$MM	Revenue US\$MM	EBITDA Margin	Annual Average EV/EBITDA		Second Quarter Jun. 30, 2021		
						2019	2020	EV/EBITDA	EV/Revenue	
Domtar Corporation	 USA	\$2,768	\$2,971	\$3,565	8.4%	6.5x	4.6x	9.3x	0.8x	
Empresas CMPC S.A.	 CHL	\$6,002	\$9,252	\$5,368	13.9%	14.9x	8.1x	12.2x	1.7x	
Iberpapel Gestión, S.A.	 ESP	\$232	\$194	\$181	6.9%	5.5x	5.8x	15.3x	1.1x	
Nippon Paper Industries Co., Ltd.	 JPN	\$1,295	\$8,066	\$9,108	8.4%	10.5x	9.6x	10.0x	0.9x	
Semapa	 PRT	\$1,087	\$2,858	\$2,117	19.4%	5.9x	6.1x	6.6x	1.3x	
Svenska Cellulosa Aktiebolaget SCA (publ)	 SWE	\$11,520	\$12,543	\$2,216	12.0%	14.0x	26.9x	42.4x	5.6x	
The Navigator Company, S.A.	 PRT	\$2,430	\$3,239	\$1,552	18.6%	7.7x	7.6x	10.8x	2.1x	
UPM-Kymmene Oyj	 FIN	\$20,172	\$20,724	\$10,008	15.0%	7.8x	8.9x	13.0x	2.0x	
- - Excluded from mean and median						Mean	9.1x	7.2x	10.3x	1.4x
						Median	7.7x	7.6x	10.4x	1.3x





PAPER PRODUCTS

GLOBAL COMPARABLE PUBLIC COMPANIES

The following table includes companies that primarily design, produce, market, distribute and sell products derived from paper, including packaging products, notebooks, cardboard, kraft paper, tissue paper, and corrugated sheets, among others

Company	Country	Market Cap. US\$MM	Enterprise Value US\$MM	Revenue US\$MM	EBITDA Margin	Annual Average EV/EBITDA		Second Quarter Jun. 30, 2021		
						2018	2019	EV/EBITDA	EV/Revenue	
Bio Pappel, S.A.B. de C.V.	 MEX	\$17,369	\$1,180	\$1,359	16.3%	2.7x	2.5x	5.2x	0.8x	
Clearwater Paper Corporation	 USA	\$483	\$1,211	\$1,817	14.8%	6.7x	7.0x	4.2x	0.7x	
International Paper Company	 USA	\$24,018	\$31,648	\$20,591	14.5%	8.7x	6.5x	9.3x	1.5x	
Irani Papel e Embalagem S.A.	 BRA	\$470	\$518	\$203	21.9%	6.5x	7.3x	10.1x	2.3x	
Metsä Board Oyj	 FIN	\$3,672	\$3,817	\$2,247	17.7%	10.6x	7.1x	9.1x	1.7x	
Miquel y Costas & Miquel, S.A.	 ESP	\$576	\$564	\$337	28.1%	10.5x	7.8x	6.1x	1.7x	
Mondi plc	 GBR	\$12,731	\$15,423	\$8,150	19.8%	8.9x	6.9x	9.3x	1.9x	
Smurfit Kappa Group Plc	 IRL	\$13,957	\$16,800	\$10,434	16.0%	8.4x	6.4x	9.8x	1.7x	
Stora Enso Oyj	 FIN	\$14,671	\$18,641	\$10,120	14.1%	6.7x	8.7x	12.0x	1.8x	
- - Excluded from mean and median						Mean	7.8x	6.7x	7.9x	1.6x
						Median	8.4x	7.0x	9.2x	1.7x

PAPER – Q2 GLOBAL TRANSACTIONS


Date	Target	Country	Description	Buyer	Seller	Stake %	Size US\$MM	EV/ EBITDA	EV/ Revenue
Jun-21	Daisan Shika Kogyo K.K.	JPN	Manufactures and sells paper tubes	Tanaka Paper Tube Co., Ltd.		85.0%	-	-	-
Jun-21	 Product Handling Company, SLU/Cartyser, SLU/We Are Fábregas, SLU/EI Ojo Sensible, SLU	ESP	Manufactures release liners	Global Release Liners, S.L.	-	100.0%	\$116.9	-	-
Jun-21		NLD	Manufactures solid cardboard from recycled fibers		ANDLINGER & COMPANY	100.0%	\$188.8	6.3x	1.0x
Jun-21		CHN	Manufactures and sells cigarette-related papers	Heilongjiang New Industry Investment Group Co., Ltd.	Mudanjiang State-owned Assets Investment Holdings Co., Ltd.	100.0%	\$123.7	-	-
May-21	Sachsen Mill located in Eilenburg, Germany	DEU	Manufactures newsprint paper, commercial flyers, and directory paper from recycled paper			100.0%	\$42.7	-	-
May-21		USA	Designs, manufactures, markets, and distributes communication papers, specialty and packaging papers, and absorbent hygiene products	Karta Halten B.V.	-	100.0%	\$3,728.2	9.5x	0.9x
Apr-21	All assets of Papierfabrik Schleipen GmbH	DEU	Comprises paper mill operations		Papierfabrik Schleipen GmbH	100.0%	-	-	-
Apr-21		DNK	Manufactures and distributes paper insulation material	Papiruld Danmark A/S	-	100.0%	-	-	-
Apr-21	Rollsource	USA	Converts commercial printing paper for distribution			100.0%	\$7.5	-	-
							Mean	7.9x	0.9x
							Median	7.9x	0.9x



REPRESENTATIVE GLOBAL ENGAGEMENTS

Honeywell
has sold
TENSOR
to

GE Power Systems


has acquired



has acquired



has acquired



has sold
 **JAMES BURN INTERNATIONAL**
to

and
JBI Holding SAS


has been acquired by





has partnered with

a subsidiary of



has acquired



has acquired



has acquired
The Zinc Recycling Business
of



has been acquired by


Grupo Educativo IEJV


has been acquired by



a subsidiary of

has sold

to



has been recapitalized by



has sold the North American guarding business of



Engineers & Constructors
has acquired



has been acquired by



has sold

to



has been acquired by



has sold
Cosmoceol Química
to

a business unit of



has acquired

from



has sold its concrete pumping business to



has acquired

dealerships from



Holding company of

has acquired a majority stake in



has been acquired by



Grupo Galaz, S.A de C.V.
has been acquired by






has acquired
Workshop and store in Mexico City from



has been acquired by



has merged its beverage division with



has sold
its sanitaryware businesses
ST. THOMAS CREATIONS
and

to


Seale & Associates

Creative Solutions. Trusted Advice.

Since 1999, Seale & Associates has been the trusted advisor to respected public and private companies from around the world. Seale is a global investment bank with extensive experience in mergers and acquisitions (M&A), corporate finance advisory, and enterprise level strategy consulting with a track record of success in a diverse range of industries. Our experienced team of professionals are committed to serving clients with excellence and integrity, while offering innovative ideas and solutions to address complex transactions.

ADVISOR TO LEADING COMPANIES WORLDWIDE

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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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