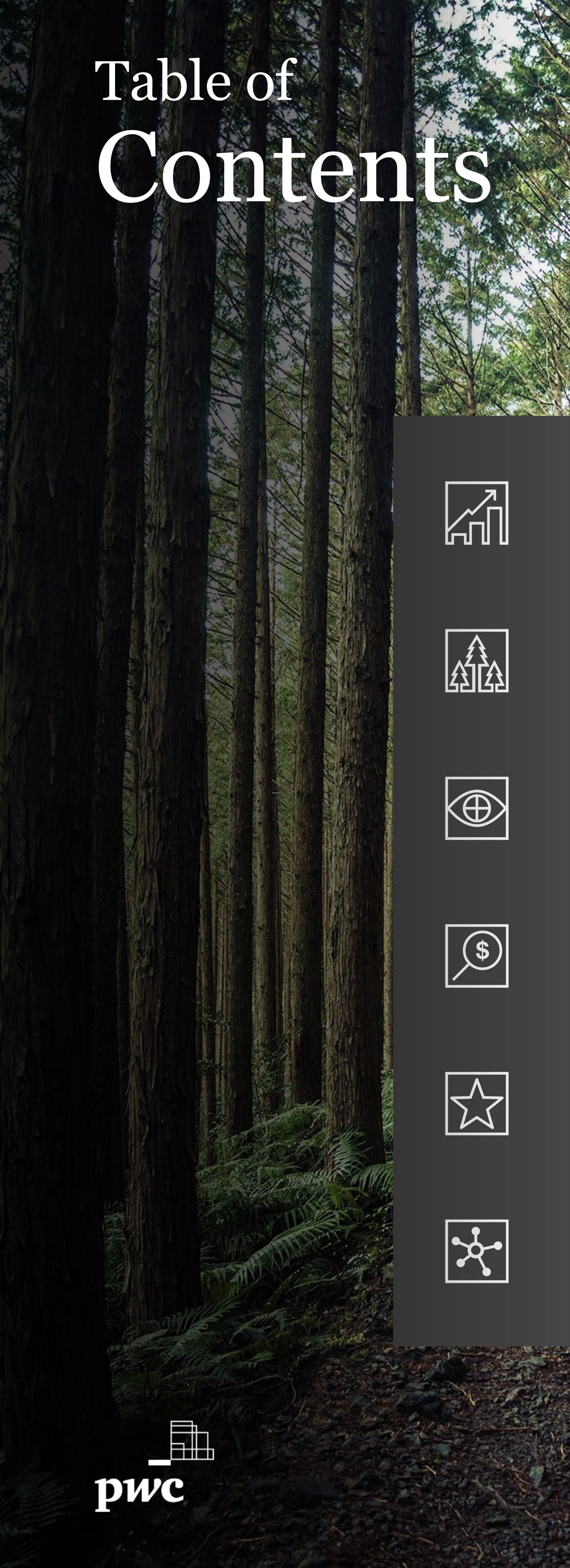
# PwC Mergers & Acquisitions

## Forestry and wood insights

Industry update
July 2025



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# Key trends in the forestry and wood industry

### Growing relevance of the forestry and wood industry

"The forestry and wood industry is leading the way in sustainable innovation by merging traditional practices with modern technology. With an increasing demand for certified, environmentally friendly products, there is a growing necessity for more advanced solutions. The push for digitalisation and automation is enhancing both efficiency and competitiveness. As a leader in the circular economy, the forestry and wood industry offers a compelling investment opportunity.

**Timo Klees,** Head of Mergers & Acquisitions

## Key trends

**Supply chain integration**
Vertical integration across the value chain is becoming increasingly attractive to secure raw material supply, optimise logistics and improve cost efficiencies

**Diversification**
Profitability in sawmills is influenced by seasonal variations. Hence, vertical integration – like expanding into pellet production – helps mitigate the impact of seasonality through business diversification.

**Sustainable and renewable materials**
Wood is a sustainable and renewable resource, and is gaining importance as companies and governments prioritise eco-friendly construction materials and carbon-neutral solutions.

**Global demand for timber products**
Strong demand for wood products in construction, furniture and packaging, especially in growing economies, is driving investor interest in expanding sawmill operations.

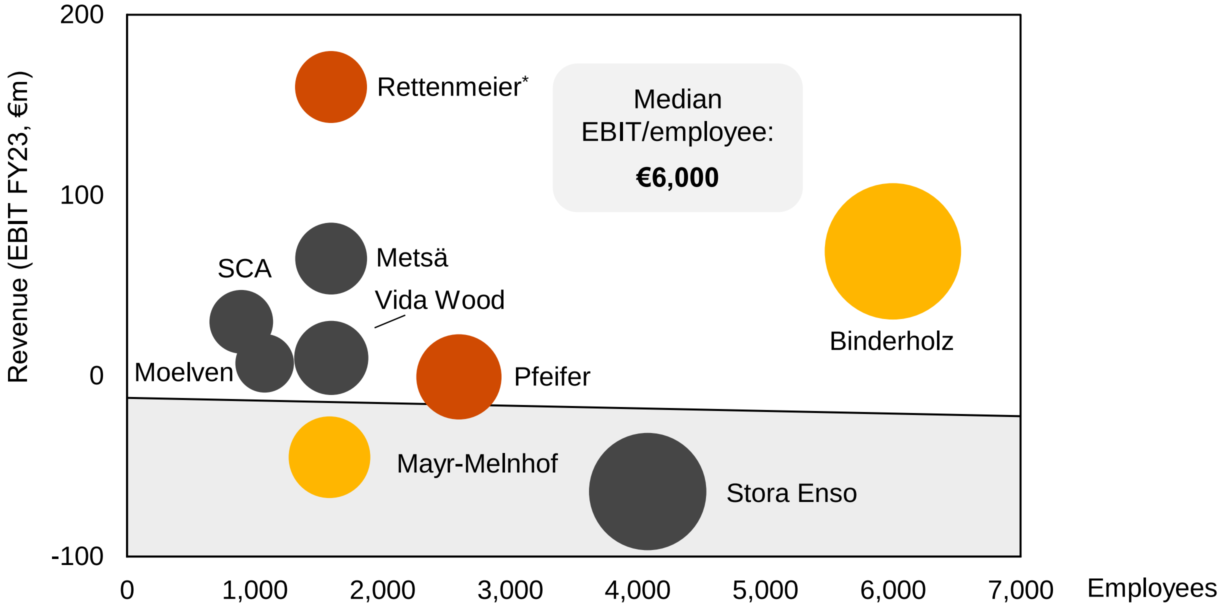
**Circular economy and recycling trends**
The increasing focus on waste reduction, biomass utilisation and wood recycling aligns with ESG investment criteria, making sawmill businesses more attractive.

**Automation and technological advancements**
Investments in AI, robotics and digitalisation enhance operational efficiency, reducing labour costs and improving production yield in the wood processing industry.

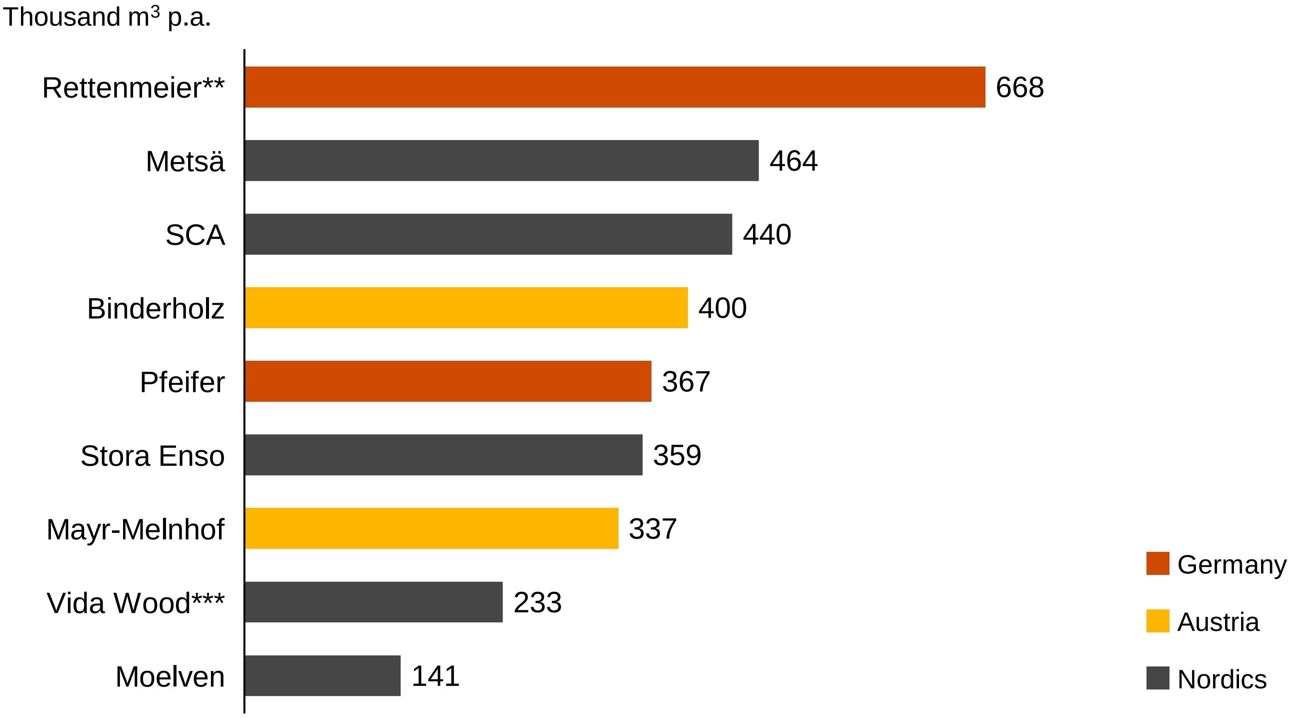
**Market consolidation**
The sector remains fragmented, creating attractive opportunities for strategic and financial investors.

# DACH and Nordic peers lead, with DACH players holding larger sawmills

## Benchmarking of the largest European wood processors




## Average capacity per sawmill as of 2024




* 2021 figures. ** Part of the Cordes Group since 2014. *** Part of the Canfor Group since 2018.
Sources: company information, PwC analysis

# Mapping the wood industry value chain with M&A insights

## Overview of the industry value chain

| Step | Activities | Comment | M&A angle |
|---|---|---|---|
| **Forest ownership and timberland management** | Forest cultivation, reforestation, land management | **Players:** institutional investors, timber REITs | Long-term resource control, ESG-focused land investments |
| **Logging and harvesting** | Tree felling, log transport | **Players:** logging contractors, vertically integrated forestry firms | Vertical integration to secure raw material supply |
| **Primary wood processing (sawmills and pellet mills)** | Sawing logs into timber, chipping, drying, pelletising | **Products:** timber, chips, wood pellets | High consolidation potential, automation and efficiency gains |
| **Secondary processing and engineered wood products** | Manufacturing plywood, LVL, CLT, OSB, MDF* | **Products:** beams, panels, boards, packaging materials | Innovation in sustainable construction solutions |
| **Distribution and trade** | Wholesale, logistics, export, sales networks | **Channels:** retailers (DIY), industrial buyers, exporters | Market access expansion, cross-border synergies |
| **End-use markets** | Construction, furniture, packaging, energy, retail | **Trends:** ESG, modular building, bioenergy, circular economy | Demand-driven consolidation, downstream integration |

* LVL: laminated veneer lumber, CLT: cross-laminated timber, OSB: oriented strand board, MDF: medium-density fibreboard
Sources: Mordor Intelligence, Precedence Research, IMARC Group

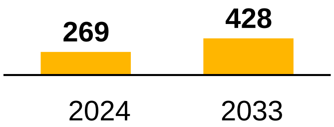
# Packaging and energy production are the end-use markets of the future

## Relevant end-use markets

### Construction industry

The construction sector, residential and commercial, is the largest consumer of wood products. Although the construction market currently presents challenges, sustainable wood products are becoming more important.

**Global engineered wood market ($bn)**

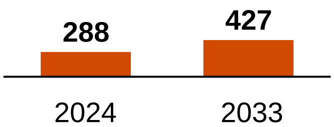



CAGR
**5.3%**

### Furniture manufacturing

The wood industry supplies essential raw materials for the furniture market.

**Global wood furniture market ($bn)**

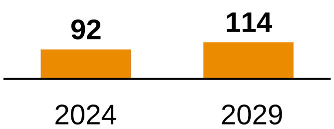



CAGR
**4.3%**

### Packaging industry

The packaging sector – especially for paper and cardboard made from wood pulp – is a major consumer of wood.

**European paper packaging market ($bn)**

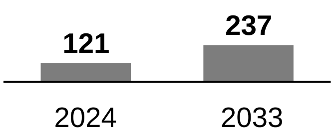



CAGR
**4.4%**

### Energy production

Wood is a key biomass energy source, and the global engineered wood market includes products for energy applications.

**Global biomass power market ($bn)**




CAGR
**5.9%**

Highly attractive future market    Moderately attractive future market

Sources: Mordor Intelligence, Precedence Research, IMARC Group

# Active deal flow and stable valuations support continued M&A momentum

**2022** (selected)

- Mayr-Melnhof Holz acquired Bergkvist Siljan
- Rhenus Logistics acquired Holz-Reimann
- Mercer acquired Hit Holz
- One Equity Partners acquired Rosboro
- GreyLion acquired Norwood

**2023** (selected)

- Pfeifer acquired Polkky
- Deutsche Beteiligungs AG acquired nokera
- LEAG acquired wismar pellets
- Lignetics Group acquired Fiber By-Products Corporation

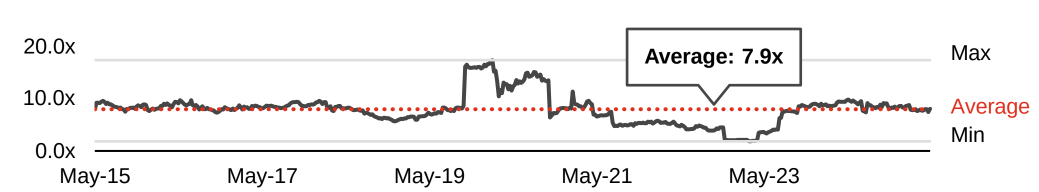
**2024** (selected)

- Kingspan acquired Steico
- SCA acquired Gällö
- Stora Enso acquired Junnikkala
- LEAG acquired Scandbio

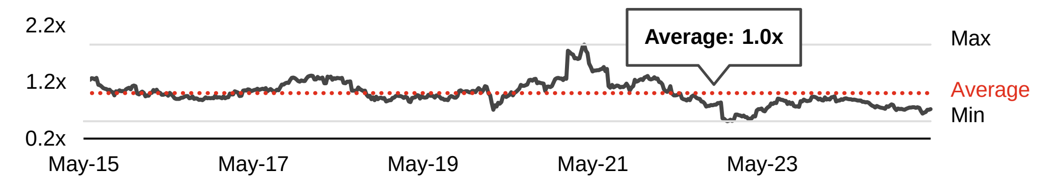
**2025** (selected)

- FBSL Holding GmbH acquired engelhardt geissbauer
- rettenmeier acquired Ziegler Group
- Kronospan acquired ZG Timber Sebes
- Profura acquired Bäckebrons Sågverk and Balung Strand
- Sustainable Way Soya Group and MEAG acquired Stora Enso (175,000 ha forest land)

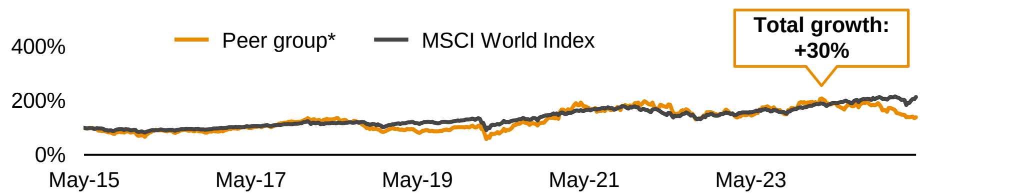
**EV/EBITDA**




**EV/revenue**




**Share price performance**




**EV/EBITDA multiples are currently trading close to the 10-year average, while the historical share price performance mirrors overall market trends.**

* Peer group: Mayr-Melnhof Karton AG, Koskisen Oyj, Boise Cascade Company, Weyerhaeuser Company, West Fraser Timber Co. Ltd.
Sources: Capital IQ as of 16 May 2025, PwC research

# Listed peers are trading at attractive multiples, reflecting strong demand

## Comparable publicly listed companies

| | Capitalisation | | | EV/revenue | | | EV/EBITDA | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share price | Market cap (€m) | EV (€m) | 2024A* | 2025F* | 2026F | 2024A | 2025F | 2026F |
| Boise Cascade | 94.02 | 3,566 | 3,395 | 0.5x | 0.5x | 0.5x | 5.9x | 6.8x | 5.9x |
| Koskisen | 7.04 | 162 | 185 | 0.7x | 0.6x | 0.5x | 8.0x | 6.6x | 5.1x |
| West Fraser | 72.57 | 5,780 | 5,400 | 1.0x | 0.9x | 0.9x | 8.8x | 7.2x | 5.0x |
| Weyerhaeuser | 27.15 | 19,702 | 23,893 | 3.4x | 3.3x | 3.1x | 20.6x | 15.9x | 13.4x |
| **Median** | | | | **0.8x** | **0.8x** | **0.7x** | **8.4x** | **7.0x** | **5.5x** |
| **Average** | | | | **1.4x** | **1.3x** | **1.2x** | **10.8x** | **9.1x** | **7.4x** |

Comparable companies are trading at a median FY24 multiple of **0.8x revenue** and **8.4x EBITDA** – EBITDA multiples are being driven by sustainable demand for wood products.

| Company | HQ | Description |
|---|---|---|
| Boise Cascade | US | Manufacturer of engineered wood products and plywood, offering laminated veneer lumber, laminated beams, I-joists and plywood panels |
| Koskisen | Finland | Manufacturer of sawn timber and panel products, including plywood, veneer, chipboard and particle board |
| West Fraser | Canada | Global wood products manufacturer providing timber, engineered wood, pulp and bioproducts, including spruce-pine-fir and plywood |
| Weyerhaeuser | US | Producer of wood products, owning more than 11 million acres of timberlands in the US and Canada which are maintained under sustainable forestry guidelines |

*A: Actual financial data; F: Forecasted financial data
Sources: Capital IQ as of 16 May 2025, PwC research

# PwC – leading M&A advisor for the global forestry and wood industry

## Sale of Ziegler Germany to Rettenmeier

Schultze & Braun | **Insolvency administrator** Volker Boehm

sold

ZIEGLERGROUP

to

rettenmeier PREMIUM OF WOOD

Vendor advised by PwC, 2025

With the support of PwC M&A, we were able to identify excellent investor solutions for the Ziegler companies, their employees, and creditors within a very short period of time. We are pleased that, with Rettenmeier, we have found a sustainable long-term solution for the operations in Germany.

**Volker Boehm, insolvency administrator, Schultze & Braun**

Schultze & Braun

## Selected M&A transactions of sawmill operators

Schultze & Braun | **Insolvency administrator** Volker Boehm

sold

ZG TIMBER SEBES

to

kronospan

Vendor advised by PwC, 2025

Schultze & Braun | **Insolvency administrator** Volker Boehm

sold

Bäckebrons Sågverk and Balung Strand

to

Profura

Vendor advised by PwC, 2025

The shareholders

sold

SLS Spray Lake Sawmills

to

West Fraser

Vendor advised by PwC, 2023

Investissement Québec

sold

TEMREX

to

LEBEL

Vendor advised by PwC, 2021

The Carlyle Group

sold

Klenk Holz

to

binderholz

Vendor advised by PwC, 2017

Isartor Erste Beteiligungsverwaltung und -treuhand GmbH

sold

Klenk Holz

to

The Carlyle Group

Vendor advised by PwC, 2013

# Germany's leading mid-cap M&A advisor with global reach and sector expertise


**PwC Mergers & Acquisitions is part of Germany's leading consulting firm with more than 15,000 employees at 20 locations.**

## PwC key figures (FY23/24)

### Global

**> $55 bn** turnover

**149** country offices

**370,000** professionals

**656** global locations

**Our service at a glance**

- Assurance
- Tax & Legal
- Consulting
- **Deals**
  - **Mergers & Acquisitions**
  - Valuation and modeling
  - Transaction services
  - Performance and restructuring
  - Deals strategy and operations
- strategy&

### Germany

**> €3.1 bn** turnover

**20** locations

**> 15,000** employees

**PwC Mergers & Acquisitions**

**No. 1** Germany's **leading** M&A advisor in the **mid-cap sector**

**> 95** **transactions completed** in Germany in the last three years

**Our services include consulting in …**

- Corporate acquisitions and sales,
- Mergers and joint ventures,
- Growth financing and optimization of financing structures, and
- Financial restructurings.

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