



Instituto Superior de Economia e Gestão

Master in Finance

2013/2014

Mergers and Acquisitions

Valuation assignment

1. Scope

A relevant step of the mergers and acquisitions process is the target company financial valuation.

Therefore, it is crucial, to undertake a valuation of the target company in order that both the acquirer and the seller have a technical perspective on the value in order to potentiate the success of the transaction process.

2. Objective

Students should perform the valuation of Portucel Soporcel (<http://www.portucelsoporcel.com>).

With turnover totaling 1.5 billion euros, the Portucel group recorded in 2012 its highest ever figures for output and paper sales, consolidating its position as Europe's leading manufacturer of uncoated wood free (UWF) printing and writing paper.

Consolidated EBITDA stood at €385.4 million, resulting in an EBITDA / Sales margin of 25.7%, with the Group finishing 2012 with a consolidated net profit of €211.2 million, representing an improvement of 7.6% over the previous year.

3. Basis for the financial Valuation

Financial information of the company is available on the web site (<http://www.portucelsoporcel.com/en/investors/financial-information.php>).

At the present date the Annual report for 2013 is still not available. Students can work based on the 2012 year-end financial accounts but considering also the interim reports



for 2013, namely the interim report for the 3rd Quarter of 2013 also available on the previous mentioned link.

4. The spreadsheet

For the valuation assignment students can use a spreadsheet developed on their own or other spreadsheet that may have access.

In attached there is a simple spreadsheet that can be used for the valuation purpose, although it is not immediately prepared to perform the financial projections for the forecasted years.

5. Form of the report

The report should be presented according the following format:

- Word, letter size 12, Times New Roman;
- Maximum 15 pages
- Line spacing of 1.5
- Left margin 2.5 cm
- Right margin 1.5 cm
- Top margin 3.5 cm
- Lower margin 2.5 cm
- References (all sources used)