



PRESS RELEASE

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Ad-hoc Information

Mayr-Melnhof Karton to acquire Kotkamills

Proposed acquisition to strengthen MMK's position in virgin-fiber based cartonboard

Mayr-Melnhof Group has agreed to acquire Kotkamills Group Oyj ("Kotkamills") from its shareholders for an Enterprise Value of around EUR 425 million, representing ca. 7.8x LTM EBITDA. The addition of Kotkamills will grow MMK's position in the attractive virgin fiber based cartonboard (FBB) and Food Service Board (FSB) market, complementing its established position in recycled fiber based board. The proposed transaction will be immediately accretive to earnings.

Kotkamills operates two board / paper machines at its integrated mill in Kotka (Southern-Finland): a FBB/FSB board machine which started up in 2016 following an investment of more than EUR 180 million with current sales volumes of around 260kt and a planned capacity of 400kt; a Saturated Kraft paper machine with 170kt capacity in which the company is a leading global supplier. Kotkamills employs about 500 people and generate an LTM EBITDA of ca. EUR 55 million on sales of ca. EUR 380 million.

The cash payment will be funded from committed credit lines. The transaction is subject to customary completion conditions and regulatory approval. Closing of the transaction is expected by mid of 2021.

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