

Masisa divests operations in Argentina, Brazil and Mexico

Deal Highlights

- IMAP Colombia with support from global IMAP partners, advised Masisa S.A., LatAm leader in the production and distribution of wood panels, on the sale of its industrial operations in Argentina, Brazil and Mexico.
- The transaction was in alignment with the strategic plan to focus on the forestry business and in the higher value added distribution of wood panels in the Andean Region, Central and North America and other export markets, as well as optimize its capital structure. Masisa successfully executed a divestment plan comprising 3 sales transactions with a consolidated enterprise value of \$503 million.
- The Argentinian operations were sold to Egger Holzwerkstoffe GmbH, a leading world player in the wood panel industry for \$155 million.
- The Brazilian operations were sold to Celulosa Arauco y Constitución S.A (Arauco), one of the main global players in the wood products industry, for \$103 million. Subsequently, a Share Purchase Agreement (SPA) for Masisa's Mexican industrial assets was executed between Arauco and Masisa, reaching an enterprise value of \$245 million. This transaction is expected to close in the second half of 2018.

Market Outlook

- Latin America has been going through a period of economic adjustments, following the end of the commodities boom cycle, which has resulted in sharp depreciations in currencies and the transition to more market-oriented governments from left-wing populist governments.
- Following this period of economic adjustments, the industry is going through a surplus in production capacity in the region's main markets. This has resulted in companies looking to shift towards high value-added markets, including distribution of wood panels in the Andean Region, Central and North America, with an increase in exports from Brazil and Chile towards other markets in the region.
- As a period of financial and currency stability for the region is expected to arrive, companies are likely to reduce and adjust debt levels in order to look at strengthening capital structure.

BUILDING PRODUCTS & SERVICES 


Family-owned producer of wood-based panels
AUSTRIA

Acquired Selected Assets of Seller's Business


Masisa's Argentinian industrial operation
ARGENTINA

IMAP
ADVISED ON SALE OF COMPANY

BUILDING PRODUCTS & SERVICES 


World-class player in forestry products industry
CHILE

Acquired 100% of Business Operations


Masisa's Brazilian industrial operation
BRAZIL

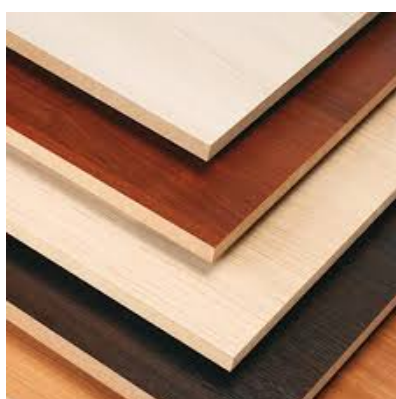
IMAP
ADVISED ON SALE OF COMPANY

IMAP Approach

- IMAP Colombia acted as financial advisor to the controlling shareholders of Masisa for the 3 divestment transactions.
- IMAP's local support was crucial for IMAP Colombia in order to access key players and potential buyers in international markets, as well as to help overcome language and cultural barriers.
- IMAP Germany successfully assisted IMAP Colombia by contacting and maintaining a strong communication with Egger, Kronospan and Swiss Krono, the 3 leading European companies in the wood panel industry.
- By leveraging its combined global reach and industry expertise, IMAP ensured the successful closing of the transactions, enabling Masisa to move its focus to the forestry business/higher value added distribution of wood panels, while optimizing its capital structure.

Valuation Summary

- A divestment plan was executed for a consolidated Enterprise Value of \$503 million:
 - Argentina: \$155 million
 - Brazil: \$103 million
 - Mexico: \$245 million
- Masisa's share price appreciated 182% during the execution period (CPL 17.34 on 4th Jan 2017 to CLP 48.90 on 19th Dec 2017). The company's stock significantly outperformed the stock market index for the Santiago de Chile Stock Exchange IPSA, which appreciated approximately 50% in the same period.
- Following the completion of these transactions, the company's debt level is expected to decrease from a debt/EBITDA multiple of 4.2 to 2.5.
- The Mexican transaction is expected to close in the second half of 2018 – subject to the fulfillment of precedent conditions, including anti-trust approval.



Client Comment

Andreas Eggenberg, Chairman of the Board, Masisa:

"IMAP Colombia is accompanying Masisa and its controlling shareholders very professionally in a series of complex M&A transactions. The team has proven to have a solid network and knowledge of the relevant markets, as well as excellent analytical skills to synthesize information and give advice to the company, but also to coordinate the information sharing towards third parties, such as lawyers, other M&A advisors, or most importantly towards anti-trust authorities."

Roberto Salas, CEO of Masisa:

"With support from IMAP Colombia we have developed a successful asset divestment project to restructure the company with a new business model. We recognize the skill of the firm to create options and new solutions to unlock problems, an extraordinary analysis capacity that complements our team, and a strong commitment to execute with discipline. It is a pleasure to work with them not just for their technical skills but also for their social and ethical behavior."

IMAP Transaction Leaders

















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IMAP has closed deals worth more than \$1.0 billion in the Building Products & Services sector since 2015

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 KELLER WINTERGARDENS & WINDOWS Acquired 100% of Business Operations  HOFSTÄDTER NYLÁSZÁRÓK IMAP <small>ADVISED ON PURCHASE OF COMPANY</small>	 VEKA Acquired 50% Stake  WINTeCH IMAP <small>ADVISED ON SALE OF COMPANY</small>	 MOHAWK Acquired 100% of Business Operations  SAN LÓRENZO IMAP <small>ADVISED ON PURCHASE OF COMPANY</small>	 Jika Acquired 100% of Business Operations  KVK Holding IMAP <small>ADVISED ON SALE OF COMPANY</small>	Investor Group Acquired the Business Activities of  BEMO THE SKY'S THE LIMIT IMAP <small>ADVISED ON SALE OF COMPANY</small>

IMAP is an International Mergers and Acquisitions Partnership with more than 350 M&A advisors and a presence in 39 countries. IMAP has closed over 2,100 transactions valued at \$90 billion in the last 10 years and is consistently ranked among the world's top ten M&A advisors for mid-market transactions (Thomson Reuters). IMAP advises primarily mid-sized companies and their shareholders on sales and acquisitions on a global scale, providing clients with entrepreneurial, unbiased advice and successfully helping them achieve their objectives.