Universidade do Minho
Escola de Economia, Gestão e Ciência Política

Pedro Miguel Silva da Costa

Equity Research Report
The Navigator Company, S.A.

Abril de 2026

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Pedro Costa
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Equity Research Report
The Navigator Company, S.A.

Projeto de Mestrado
Mestrado em Finanças

Trabalho efetuado sob a orientação do(a)
Professor Doutor Gilberto Loureiro

Abril de 2026

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RESUMO

O presente documento constitui um Equity Research Report elaborado como parte do mestrado em Finanças na Universidade do Minho no âmbito do Projeto de Mestrado, seguindo as diretrizes do CFA Institute. O relatório apresenta uma análise aprofundada da empresa The Navigator Company S.A. (NVG.LS), empresa portuguesa que opera globalmente no setor da pasta e do papel, operando nos segmentos de papel UWF, papel tissue, pasta, embalagens de base fibrosa e energia.

O relatório inicia-se com um sumário executivo que destaca os principais dinamizadores de crescimento da Navigator, sendo de seguida apresentada uma descrição das suas principais atividades e da sua direção estratégica. Este relatório oferece ainda uma análise do desempenho e dos objetivos ESG da empresa, seguida por uma visão geral da indústria de pasta e papel e uma avaliação do posicionamento competitivo da empresa no setor. As secções subsequentes exploram a informação financeira da empresa, detalhando as metodologias de avaliação utilizadas. Os dados financeiros baseiam-se maioritariamente nos relatórios anuais e intercalares mais recentes da Navigator, permitindo sustentar a análise e as projeções desenvolvidas. O principal método utilizado é a avaliação pelo modelo dos Fluxos de Caixa Descontados, suportado por uma análise de sensibilidade, análise de cenários e simulação de Monte Carlo. O método de Avaliação Relativa e o modelo de Desconto de Dividendos também foram aplicados neste relatório com o objetivo de reforçar a robustez da recomendação de investimento. Por último, o relatório apresenta uma avaliação da probabilidade e do impacto dos riscos de investimento associados à empresa.

O modelo dos fluxos de caixa descontados indica um preço-alvo de €4,14 no final de 2026, sugerindo um potencial de valorização de aproximadamente 24%, o que sustenta uma recomendação de COMPRA.

Em conclusão, este Equity Research Report fornece uma análise abrangente da Navigator, destacando o seu modelo de negócio integrado, a sua eficiência operacional e o seu reposicionamento estratégico para segmentos em maior crescimento, como o papel tissue e embalagens de base fibrosa. Estes fatores, aliados ao foco em sustentabilidade e diversificação do portefólio, posicionam a empresa como uma oportunidade de investimento atrativa no setor dos produtos florestais.

Palavras-chave: Avaliação por Fluxos de Caixa Descontados, Equity Research, Indústria de Pasta e Papel, Navigator Company, Sustentabilidade

ABSTRACT

This document is an Equity Research Report prepared as part of the Master's degree in Finance at the University of Minho as part of the Master's Project, in accordance with the CFA Institute's guidelines. The report presents an in-depth analysis of The Navigator Company S.A. (NVG.LS), a Portuguese company operating globally in the pulp and paper sector, with activities in the UWF paper, tissue paper, pulp, fibre-based packaging, and energy segments.

The report begins with an executive summary highlighting Navigator's key growth drivers, followed by a description of its main activities and strategic direction. This report also provides an analysis of the company's performance and ESG objectives, followed by an overview of the pulp and paper industry and an assessment of the company's competitive positioning within the sector. The subsequent sections explore the company's financial information, detailing the valuation methodologies used. The financial data is based primarily on Navigator's most recent annual and interim reports, providing a basis for the analysis and projections developed. The main method used is the Discounted Cash Flow model, supported by sensitivity analysis, scenario analysis, and Monte Carlo simulation. The Relative Valuation method and the Dividend Discount Model have also been applied in this report with the aim of reinforcing the robustness of the investment recommendation. Finally, the report presents an assessment of the probability and impact of the investment risks associated with the company.

The discounted cash flow model indicates a target price of €3.68 by the end of 2026, suggesting an upside potential of approximately 15.7%, which supports a BUY recommendation.

In conclusion, this Equity Research Report provides a comprehensive analysis of Navigator, highlighting its integrated business model, its operational efficiency, and its strategic repositioning towards higher-growth segments, such as tissue paper and fibre-based packaging. These factors, combined with a focus on sustainability and portfolio diversification, position the company as an attractive investment opportunity within the forest products sector.

Keywords: Discounted Cash Flow Valuation, Equity Research, Navigator Company, Pulp and Paper Industry, Sustainability

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LIST OF ABBREVIATIONS

AB – Aktiebolag

BEKP – Bleached Softwood Kraft Pulp

CAGR – Compound Annual Growth Rate

CAP – Capitalization

CAPEX – Capital Expenditures

CAPM – Capital Asset Pricing Model

CEPI – Confederation of European Paper Industries

DCF – Discounted Cash Flow

DDM – Dividend Discount Model

D/V – Debt to Value

EBIT – Earnings Before Interest and Taxes

EBITDA – Earnings Before Interest, Taxes, Depreciation, and Amortizations

ERP – Equity Risk Premium

ESG – Environmental Social Governance

EV – Enterprise Value

E/V – Equity to Value

FCFF – Free Cash Flow for the Firm

FSC – Forest Stewardship Council

GDP – Gross Domestic Product

IDP – Individual Development Plan

KPMG – Klynveld Peat Marwick Goerdeler

M&A – Mergers & Acquisitions

MW – Megawatt

NOPAT – Net Operating Profit After Tax

NTM – Next Twelve Months

NVG – The Navigator Company

P/E – Price-to-Earnings

PEFC – Programme for the Endorsement of Forest Certification

PPE – Property, Plant and Equipment

PRWU – Programme for Reducing Water Use

R&D – Research & Development

ROA – Return on Assets

ROE – Return on Equity

S.A. – Sociedade Anónima

SCA – Svenksa Cellulosa Aktiebolaget

SGPS – Sociedade Gestora de Participações Sociais

SWOT – Strengths, Weaknesses, Opportunities, and Threats

UK – United Kingdom

UPM – United Paper Mills

UWF – Uncoated Woodfree

WACC – Weighted Average Cost of Capital

XLIS – Lisbon Stock Exchange

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The Navigator Company, S.A.

Euronext Lisbon (XLIS:NVG) Current Price: €3.18
Industry: Pulp & Paper Target Price: €3.68 Recommendation: **BUY**
As of 24th of March 2026 Upside: 15.7%

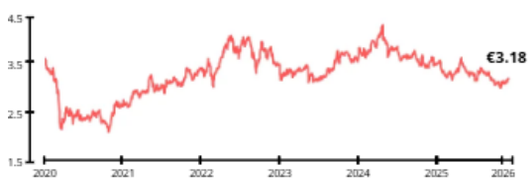
EXECUTIVE SUMMARY

Table 1 - Summary

Recommendation	BUY
Target Price	€3.68
Current Price*	€3.18
Upside	15.7%
Shares Outstanding	711M
Market Cap	€2.31B
52 Week Low	€2.88
52 Week High	€3.40

Source: Author, Company Data

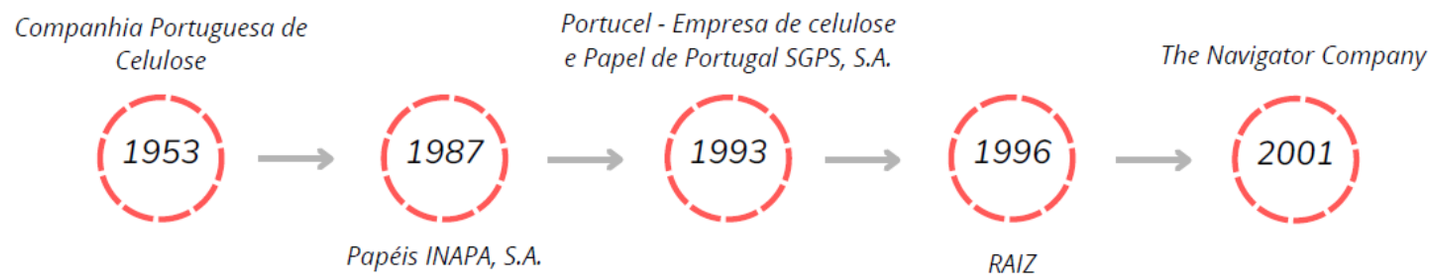
Figure 1 - Navigator's Stock Performance



Source : Author, LSEG Workspace

The Navigator Company, S.A., is a key player in the Pulp and Paper industry, with a focus on UWF paper, paper tissue, packaging, eucalyptus BEKP-based pulp, and energy, and holds a strong global position. Over the past 5 years, Navigator's share price has reflected both the cyclical nature of the pulp and paper industry and the ongoing strategic transition. As shown in Figure 1, in the last couple of years, Navigator stock traded within a broad range of €2.00 to €4.00, with several ups and downs, illustrating how volatile and driven by macroeconomic uncertainty, commodity price fluctuations, and industry cyclicality this industry is. The share price declined sharply in early 2020, reaching a low near €2.00 in March, in line with the broader market sell-off triggered by the COVID-19 pandemic. From mid-2020 through 2021, the stock recovered steadily, benefiting from improved demand conditions, supply chain normalization, and strong pulp prices. In 2022, Navigator's share price continued to strengthen, reaching several peaks, mainly due to favourable market conditions, high mills availability, and a solid financial performance. The firm reached record EBITDA levels in 2022, supported by higher selling prices and solid volumes. Through 2023-2024, the stock fluctuated, reflecting margin normalizations and some cautious investor sentiment. In 2025, the stock price trended slightly downward as pulp prices entered a normalization phase, especially due to weaker demand for printing and writing paper. Also, new pulp additions in South America and continued operating rates in mills created, at times, an oversupplied market. Despite recent volatility, with the company targeting fast-growing markets like sustainable packaging and tissue for hygiene products, I believe the current valuation does not reflect Navigator's strategic repositioning and long-term prospects, so I estimated that Navigator's intrinsic value exceeds its current market value (Table 1).

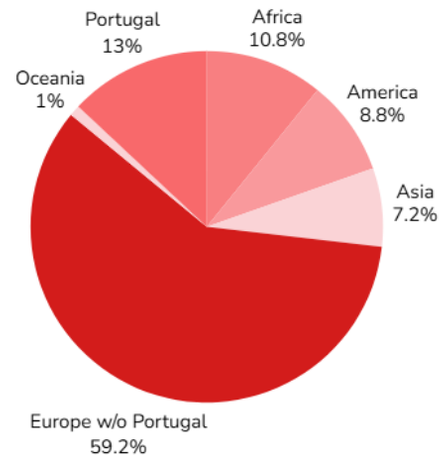
Figure 2: Corporate History



Source: Author, Company Data

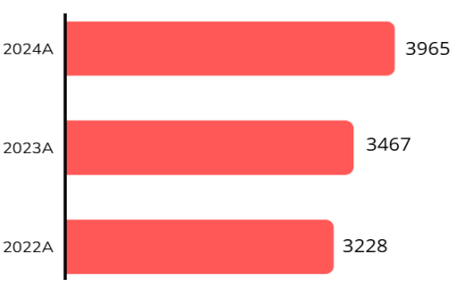
BUSINESS DESCRIPTION

Figure 3: Geographic Revenue Breakdown (2024)



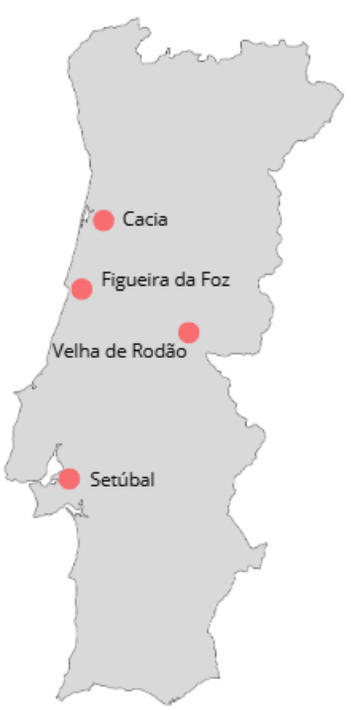
Source: Author, Company Data

Figure 4: Number of Navigator Employees



Source: Author, Company Data

Figure 5: Navigator's Industrial Footprint in Portugal



Source: Author, Company Data

The Navigator Company S.A., headquartered in Setúbal, Portugal, is a leading integrated producer of pulp, paper, tissue, and renewable energy. In 1953, it was founded as "Companhia Portuguesa de Celulose", and after 72 years of mergers and acquisitions (Figure 2), the company has grown into one of the world's leading producers of bleached eucalyptus kraft pulp and uncoated woodfree paper. Inspired by people, quality of life, and the future of the planet, Navigator is committed to creating sustainable value for shareholders and society as a whole through the use of natural, recyclable, and biodegradable products. As part of the strong commitment to the sustainable project and with the creation of RAIZ, which is a research institute created by the firm, the group was able to enhance its quality content and create sustainable forests capable of producing 1,6 million tons of paper and pulp annually. All the raw materials used by Navigator come from forests cultivated solely for industrial and environmental purposes. Navigator currently has four industrial complexes, three R&D warehouses in Portugal, and offices globally. In 2024, turnover was 2088 billion, with 91% of the products being sold outside Portugal to 134 countries (Figure 3). With its presence, the firm was able to create more than 30000 direct, indirect, and induced jobs, with only 3965 of those being full-time Navigator employees (Figure 4). Navigator's main values are trust, integrity, entrepreneurship, innovation, sustainability, and excellence.

Main Facilities

Currently, Navigator has four main industrial facilities in Portugal (Figure 5):

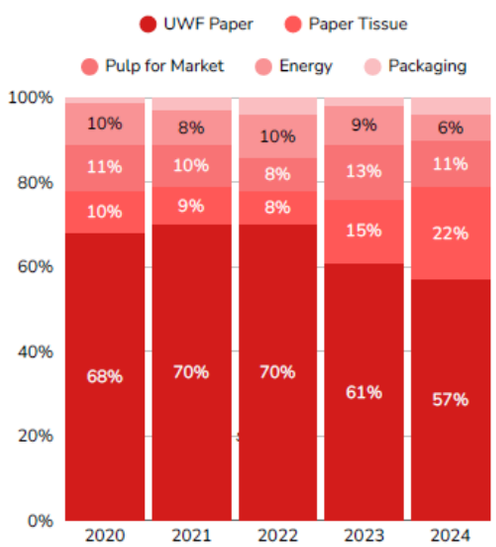
Cacia (Aveiro): Pulp mills with the capacity to produce 320.000 tonnes of bleached eucalyptus pulp that is directly sold to the market. Although in this location, Navigator also has an energy-generating industrial site that focuses on biomass cogeneration.

Figueira da Foz: It produces approximately 570.000 tonnes of bleached eucalyptus pulp and 800.000 tonnes of uncoated fine printing and writing paper per year, with two paper machines. It also includes a biomass cogeneration plant linked to the pulp mill for the production of energy from renewable sources, in addition to a combined cycle natural gas cogeneration plant. This production capacity makes it one of the most efficient industrial units in Europe.

Setúbal: This pulp mill, one of the most important in Europe, has the capacity to produce around 550.000 tonnes per year of bleached eucalyptus pulp using the Kraft process (BEKP). This Complex also includes a cogeneration plant and biomass plant, so it also has the capacity to extend the production of renewable energy.

Vila Velha de Ródão (Castelo Branco): This mill is only dedicated to producing tissue paper. It is the most efficient tissue factory in the Iberian Peninsula and the second most efficient in Europe. It produces approximately 60.000 tonnes of tissue paper per year, converted into finished products for domestic and professional use.

Figure 6: Revenue Mix by Business Segment



Source: Author, Company Data

Business Operating Segments

Navigator is currently one of Portugal's largest global players, having an important role in the national economy thanks to the vertical integration of the business model, which covers applied research, forestry, pulp, renewable energy generation, paper, tissue, and packaging (Table 2).

Paper: Navigator is Europe's leading producer of UWF paper and the 6th largest in the world, as a world leader in the premium segment, a factor of differentiation which was again boosted in 2024, with premium products accounting for 57% (as compared to an average of 55%, between 2018-2024) (Figure 6). The quality of its paper comes from the usage of Eucalyptus globulus fibre, which is ideal for producing the highest quality of paper. The shares achieved for mills' brand and premium products in 2024 were the second-best ever recorded for the company. In 2024, the printing and packaging paper sales totalled 1225 thousand tons, compared to 2023, the sales volume in euros grew 3%.

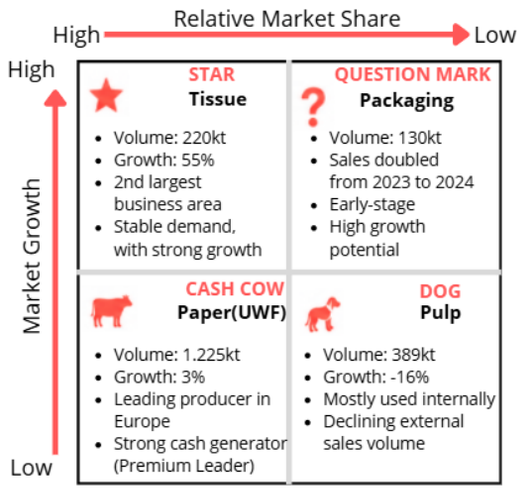
Table 2: Navigator Business Segment Overview (2024)

Segment	Market Position	Strategic Role
PAPER (UWF)	1st in Europe 6th Worldwide	Core cash generator
PULP (BEKP)	7th in the World	Cost advantage
TISSUE	1st in Portugal 2nd in Iberia	Growth & diversification driver
PACKAGING (gKRAFT)	Emerging player (>300 customers)	High-growth, strategic bet
ENERGY	No. 1 producer of green energy in Portugal	Cost efficiency & ESG support

Source: Author, Company Data

Pulp: Navigator is the 7th largest producer of eucalyptus-based BEKP in the world, having an annual capacity of 1.6 million tons at its industrial units. The pulps produced by the company meet global standards for the industry, reflecting approximately seven decades of experience in development and innovation based on raw material with an incomparable reputation. While part of production is sold externally, it's mainly used internally as part of the production of UWF, tissue, and packaging. In 2024, due to an increased incorporation into paper produced by the Navigator, the pulp sales fell by 16%, to a total of 389 thousand tons. However, a 13% improvement in prices in relation to 2023 meant that, in relation to the value of sales, the drop was at just 5%.

Figure 7: Navigator BCG MATRIX





Source: Author, Company Data

Tissue: The tissue segment has evolved into a central component of Navigator's diversification strategy, reflecting a reorientation toward markets with structurally stable demand and lower exposure to digital substitution. The company only moved to this segment in 2015, and it's now the second-largest business area in terms of revenues generated, surpassing pulp over the last two years. In 2024, tissue sales (finished products and reels) accounted for 220 thousand tons, representing an increase in the volume and value of sales of 55%.

Packaging: This is the latest segment in Navigator operations, having only three years of existence, but it already has more than 300 customers. With this segment, the company wants to speed up the transition from the use of plastics to the use of natural fibres through its gKRAFT product line. In 2024, the sales volume doubled in relation to the previous year, with 70% of sales in Europe, mostly in Italy, Portugal, Spain, Germany, and France. The remainder is in overseas regions such as Latin America, Turkey, and North Africa. This was achieved mainly because of production at a new industrial unit in Aveiro for moulded cellulose components, and because the production is based with 100% recyclable compostable products for single-use applications in the food sector.

Energy: Navigator occupies a prominent position in the renewable energy sector, being the first national producer of green energy from biomass, accounting for 3% of national electricity generation and 34% of the country's biomass-based electricity. In 2024, 78% of the electricity generated by Navigator was from renewable sources, and with the completed work on new solar arrays at the industrial units of Figueira da Foz, Aveiro, and Vila Velha de Ródão, Navigator is now Portugal's largest generator of solar power for internal consumption.

I did a BCG Matrix to highlight Navigator's portfolio positioning, balancing cash-generating segments with high-growth strategic businesses (Figure 7).

Selective M&A Strategy

Navigator follows a targeted M&A strategy focused on segments with attractive long-term fundamentals, particularly within its diversification agenda beyond pulp and paper segments. In 2015, the firm entered the tissue segment by acquiring AMS-BR Star Paper, S.A., a tissue paper production facility in Vila Velha do Ródão, which provided an initial platform to produce high-quality tissue paper. This acquisition marked an early strategic pivot toward consumers, enabling Navigator to vertically integrate pulp supply

Figure 8: Recent Acquisitions



Source: Author, Company Data

Figure 9: Top 10 Pulp Producers Share in Terms of Global Supply (2002-2023)

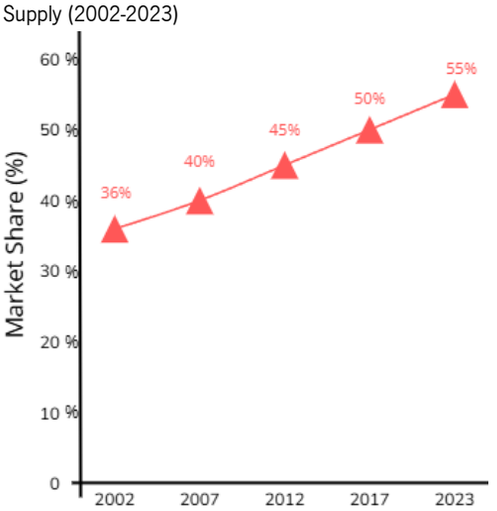


Figure 10: Vertical Integration of Larger Pulp & Paper Firms



Source: Author, CEPI

into tissue production. In 2023, Navigator acquired the consumer tissue business of the Spanish Goma-Camps Group (now called Navigator Tissue Ejea), including assets in Zaragoza, adding more or less 35.000 tonnes per year of tissue production and increasing its converting capacity, elevating the company to one of the largest tissue producers in the Iberian Peninsula. The most recent one, which occurred in May 2024, was the acquisition of the Accrol Group Holdings plc (now called Navigator Tissue UK), which was a well-established tissue manufacturer in the United Kingdom (Figure 8). This operation represented one of the most significant steps in the tissue segment to date, extending the company's reach into the United Kingdom and broadening its product portfolio across household tissue categories. This last acquisition not only expanded Navigator's sales volume and market presence but also created opportunities for operational synergies and scale cost efficiencies. Overall, this strategy accelerated scale expansion and diversification into higher-growth tissue markets. Navigator continues to evaluate selective opportunities aligned with its transition toward a broader forest-based bioeconomy.

INDUSTRY OVERVIEW

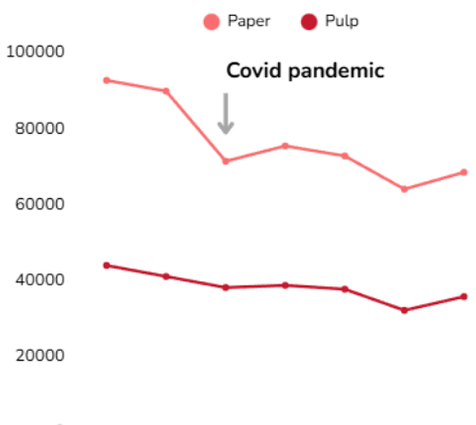
The overall market structure of the pulp and paper industry is concentrated, with medium and large firms around the world, while in Europe, the sector has around 21.000 companies. What drives this concentration is mainly the vertical integration, which favours fewer and larger operations in each grade, and economies of scale (Figure 10). This concentration is particularly visible in the pulp market, where the top 10 producers increased their share to 55% of global supply as of 2023, compared to 36% in 2002 (Figure 9). For the European uncoated woodfree (UWF), where Navigator is the number one producer in Europe with 31% share of the production market, the top 10 producers own 90% of the production, with the top 3 producers alone controlling half of the market. In 2024, the global revenue in the pulp and paper industry is estimated to be approximately €360 to €370 billion according to Statista.

Macroeconomic Factors

In the past few years, this industry has faced significant exposure to macro and financial conditions, facing constant volatility. In 2023, the sector faced a decline due to worse macroeconomic conditions, such as high energy prices, especially with the European

energy shock, impacting the pulp and paper production since this is an energy-intensive industry. Excess of inventories, which happened due to economic uncertainty, disrupted the demand and supply chain between distributors and converters, causing apparent demand to fall more sharply than the underlying consumption, leading to rapid declines in mills' operations and causing pressures in the prices, and raw material increased competition and costs. The wood availability, forestry regulation, climate conditions, and global pulp pricing directly impact profitability. These fluctuations highlight how cyclical this industry is and reinforce that companies, especially Navigator, need to diversify into more resilient segments. A PESTEL analysis was conducted to complement the macroeconomic overview (Appendix 4).

Figure 11: Paper and Pulp Consumption (2018-2024)



Source: Author, CEPI

Impacts of COVID-19 and post-COVID-19 Rebound

In the past few years, this industry has changed because of big shifts in consumer behaviour. In the past 15 years, there has been a huge shift from printed newspapers, magazines, and office documents towards online media, social networks, and cloud-based document management, especially in mature markets. The Covid-19 pandemic has accelerated this trend, lockdowns disrupted physical distribution channels, schools and offices rapidly had to move to remote formats, with many firms adopting digital workflows permanently (Figure 11). Despite this, the pulp and paper industry remains essential to the global economy, and even though the demand for graphic paper has been decreasing, there are opportunities to grow, such as for packaging, hygiene products, tissue used in healthcare, and consumer goods. This type of goods can also be boosted in terms of sales because of the sustainability factor, which is a driver of concern for lots of consumers in recent years, and also many of these do not have a digital substitute. Looking ahead, in 2024, this industry remained resilient with a recovery that partly offset the decline that happened post covid between 2021 and 2023, especially with an increased consumption in paper and board by 7%, slightly above than expected, and solid expansion in packaging and tissue (Figure 12).

Figure 12: Industry Growth Ranges by Segment (CAGR)

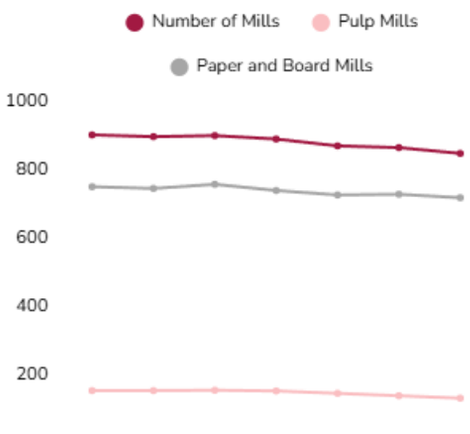
Segment	CAGR-Range
Packaging	5%-7.2%
Tissue	3.3%-6.4%

Source: Author, Statista

Supply Drivers

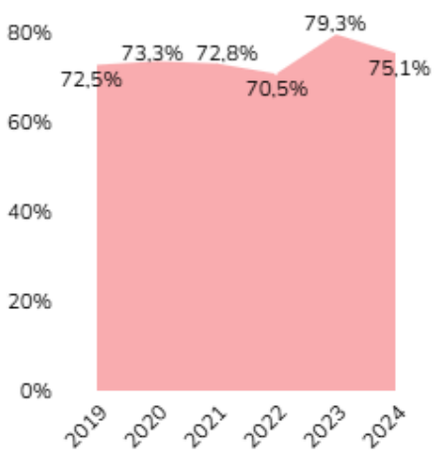
Cost Pressures: In recent years, weaker demand elevated market instability in the pulp & paper industry, particularly in Europe and North America. Higher wood and energy costs have rendered older, smaller mills obsolete or with excess inventory. Rising

Figure 13: Number of Mills (2018-2024)



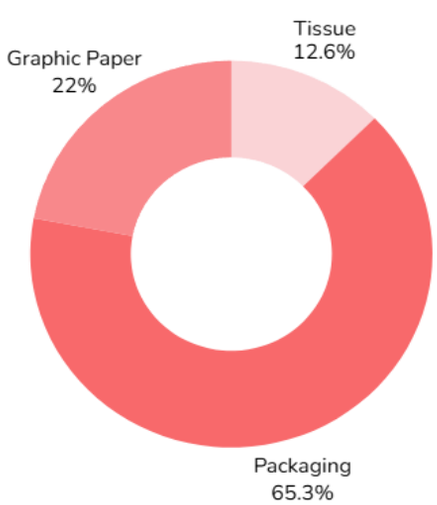
Source: Author, CEPI

Figure 14: Recycling Rate in Europe (2019-2024)



Source, Author, CEPI

Figure 15: European Paper Demand by Segment



Source: Author; CEPI

logistics and transportation costs, as well as delayed international shipments, have created the necessity for firms to rely more on the spot market to secure timely, available products. These supply challenges alone have increased costs by an estimated 5%, affecting margins for less-efficient producers.

Capacity Adjustments and Mill Conversions: In the past few years, global pulp supply has been affected a lot by mill closures and conversions of paper mills into packaging or tissue production (Figure 13). While this supports long-term sustainability and profitability, it temporarily limits overall pulp supply capacity and contributes to short-term price volatility.

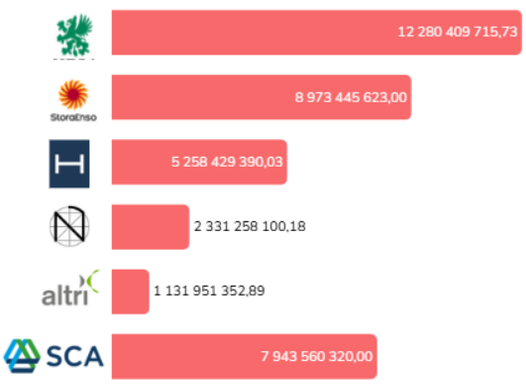
Capacity cycle and geography: The market of pulp and paper supply has shifted towards the most cost-competitive regions, especially Latin America, because of the particularity of using low-cost fibres. The core driver of this structural advantage is the fact that countries such as Brazil, Uruguay, and Chile benefit from fast-growing eucalyptus plantations, with rotation cycles between 6-7 years, compared to 20-30 years in the north of Europe.

Demand Drivers

E-commerce and sustainability trends: Globally, there has been an increase in pulp-based packages, supported mainly by e-commerce growth and sustainability regulations promoting recyclable and fiber-based materials (Figure 14). Consumers' preferences are shifting away from single-use plastics towards paperboard and containerboard solutions, while reinforcing long-term structural demand for kraftliner and packaging grades.

Demand for Printing and Writing Paper: According to CEPI, in 2024, demand for graphic paper, including printing and writing paper, grew by 5,2%, making the first annual expansion since 2010. Although these improvements only partially offset a steep -13% contraction in 2023, absolute volumes remain well below pre-pandemic levels. Meanwhile, packaging production grew 6,5% and now represents a total of 65.3% of the total paper and board output (Figure 15). This mix shift underscores that, despite the short-term uptick in graphic paper demand, there is a structural decline for printing and writing, mainly due to digitalization, keeping the players in this industry at risk.

Figure 16: Market Cap Peers (2024)



Source, Author, LSEG Worksapce

Figure 17: SWOT Analysis

S

STRENGTHS

- Cost-competitive pulp producer
- Geographic diversification of revenues
- Global presence (Exports to 130+ countries)
- High-quality assets
- Strong ESG positioning

W

WEAKNESSES

- Exposure to cyclical pulp prices
- Structural decline in printing & writing paper
- Governance concerns
- Limited downstream diversification

O

OPPORTUNITIES

- Anti-plastic trends
- ESG-linked financing
- Development of bio-based products & bioenergy
- Innovation in forestry management

T

THREATS

- Increasing energy costs
- Digitalization
- Pulp oversupply & price volatility
- Rising competition from low-cost producers

Source: Author

Competitive Positioning

The pulp and paper industry is already mature, so there is little space for growth. Nowadays, improving internal processes and continuous development of R&D to produce successful new products is way more important than reinvesting or developing. Leading this industry in terms of market capitalization is the Brazilian company Klabin S.A., with a market cap of 27.58 billion dollars, while the biggest in Europe is UPM-Kymmene OYJ from Finland, with a market cap of 16.88 billion dollars. At the moment, Navigator is in 15th position, when compared to the 38 largest pulp and paper companies by market cap (Figure 16). Hence, when selecting Navigator's competitors, the selection is based on their similarities in the industry, market capitalization, growth, risk, and size. Therefore, the main peer group includes UPM-Kymmene OYJ, Stora Enso, Holmen AB, Altri, and Svenska Cellulosa (Appendix 5). To further enhance this analysis, I did a SWOT analysis, summarized in Figure 17, and a more detailed one in Appendix 6.

Five Forces of Porter

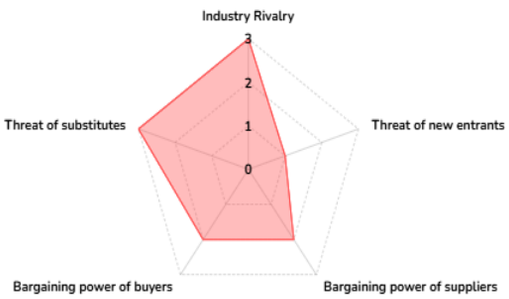
Industry Rivalry - High:

The industry is dominated by a few large players, creating intense competition. Most firms cannot supply a unique product with significant differentiation, which also intensifies the price competition, especially during periods of oversupply. High fixed costs, a rigid cost structure, and significant exit barriers sustain competitive pressure, keeping firms competing despite periods of weak profitability.

Threat of new entrants - Low:

Participants benefit from brand recognition built and maintained over time. High capital requirements and economies of scale, combined with the necessity to fulfil high environmental requirements to get certifications (climate change, energy efficiency, forest management, and water management), create significant entry barriers to any company that wants to compete in this industry. The magnitude of some of the players, with a large scale of operations, brings serious issues for new entrants, though it reduces the threat.

Figure 18: Porter 5 Forces



Source: Author

Bargaining power of suppliers - Moderate:

Suppliers mainly provide commoditized wood, and since it is the most important raw material, it is for this reason, the most important cost for the firms. The main purpose is to have a stable retention rate of suppliers to reduce exposure and mitigate the risk of entering unfavourable bargaining conditions. However, energy also remains a critical power in this field that can meaningfully impact the cost structure.

Bargaining power of buyers - Moderate:

The industry has many buyers, from individuals to large corporations with specific contracts. Based on these fundamentals, it is plausible to conclude that there are low switching costs for paper providers, as products are largely standardized. As a result, customers have a certain degree of negotiating leverage because they have a wide range of options. However, some paper brands have the quality differentiation to provide some mitigation, benefiting from brand loyalty and service reliability.

Threat of substitutes - High:

Digitalization continues to structurally reduce demand for traditional paper products, especially in Europe and North America. Electronic documents, e-billing, and digital media represent persistent substitutes that are not price-sensitive. The tissue and packaging segments face a lower substitution risk, as demand is being reshaped, in fields such as lifestyle changes and environmental concerns from consumers because of recent trends such as e-commerce growth, food delivery, home orders, and hygiene awareness. So, overall, graphic paper substitution pressure remains high, while other segments benefit from more resilient end-market fundamentals (Figure 18).

ENVIRONMENTAL, SOCIAL & GOVERNANCE

Figure 19: Ratings Received by Navigator (2024)



Source: Author, Company Data

Over the past few years, Navigator's ESG score has remained stable. It exhibits strong ESG standards, especially given the far lower industry median. When compared to its counterparts, the environmental and social pillar ratings are clearly the main drivers of its good ESG score. Conversely, the governance pillar score has been steadily declining (Table 3), causing the overall score to diverge from the superior peers (Table 4). Navigator has several awards, showing a strong ESG profile. The company holds the 1st place out of 85 Paper & Forestry companies, having the lowest risk for investors, according to Sustainalytics, and it is placed in the top 5% globally from EcoVadis, based on the score given to the firm (Figure 19).

Table 3: 2025 Navigator ESG RATINGS

ESG LSEG	Navigator
Environmental	81
Social	80
Governance	26
Total	62

Source: Author, LSEG Workspace

Table 4: ESG Scorecard Navigator and Peers

ESG Ratings	Score
Navigator	B
UPM	A
Holmen AB	B-
Stora Enso	A-
Altri	B-
SCA	A-

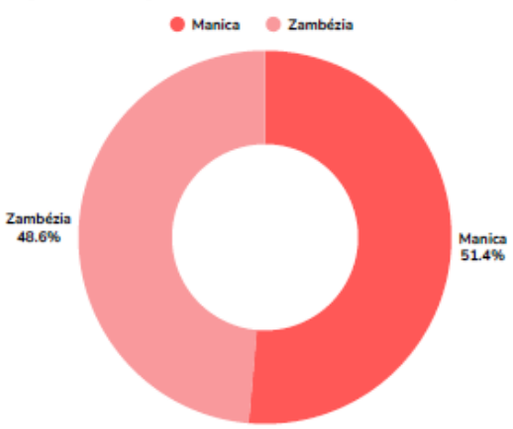
Source: Author, LSEG Workspace

Figure 20: UN SDGs Met by Navigator



Source: Author, Company Data

Figure 21: Navigator Land Distribution in Mozambique



Source: Author, Company Data

ESG Performance Analysis – Environmental(E):

Decarbonization Strategy: Navigator thrives in being one of the least carbon-intensive producers in the European pulp and paper sector. Being one of the first companies to fully commit to decarbonizing industrial complexes, having a €340 million decarbonization roadmap that hopes to cut by 2035, 86% of greenhouse gas emissions, to achieve long-term carbon neutrality (Figure 20).

Energy self-sufficiency: In 2024, the company advanced with the installation of 38 MW of new industrial solar capacity, becoming Portugal's largest self-consumer of renewable energy, with 80% of its electricity being generated from renewable sources.

Sustainable Forestry: Navigator promotes 100% certified forests through FSC® and PEFC™, resource traceability, and capacity building in the sector, which ensures ecosystem protection and the sustainable use of raw materials.

Water Management: Navigator is aware that water efficiency needs to be promoted. To address this, there is a clear commitment to invest in the best available technologies, continuous optimisation, and eco-design of products. In 2017, the company implemented the PRWU (Programme for Reducing Water Use), with the aim to reduce 33% the usage of water by 2030, in relation to 2019.

ESG Performance Analysis – Social(S):

Training and talent retention: "Crescer" project, launched in 2022, is aimed at improving the commitment and sense of accomplishment of the workers while building future leaders of the company. In 2021, several measures were implemented to promote the construction of the Individual Development Plans to consolidate a culture of growth, and 4 years after the establishment of the program, 45% of the total number of employees and 60% of specialists and managers had completed the IDP. For Navigator, human capital represents a priority, with a total of 3965 permanent employees across the world. Within the company, there is a focus on keeping the development of the workers by giving them internal progressions based on merit, organizational growth, continuous skills development, and promotions to safer working environments.

Figure 22: "Missão Zero" Pillars



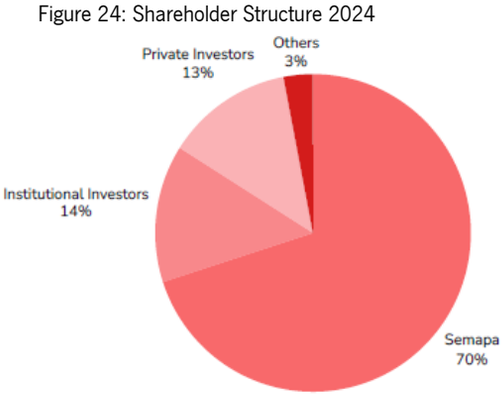
Source: Author, Company Data

Figure 23: Navigator Gender Diversification

Board	64.3%	35.7%
Operational	86%	14%

Source: Author, Company Data

Figure 24: Shareholder Structure 2024



Source: Author; Company Data

Affected Communities: Navigator wants to keep engaging with the local communities through local monitoring committees and continuous dialogue channels. It invests in infrastructure and hiring talent from the communities to create shared value. These initiatives have the objective of reducing negative impacts and strengthening their social license to operate. One example of this is Portucel Moçambique, which brought food security, better income, and welfare for the local communities in Zambezia and Manica (Figure 21).

WELL-BEING: Based on the operations within the company, there is continuous investment in promoting the safety of employees by minimizing risks. That's why in the past few years, Navigator invested 27 million euros to strengthen infrastructure and improve processes to make the workplace safer, with 2024 seeing the lowest number of accidents ever recorded and a total reduction of 40% since 2020. This is part of the company's Zero Mission Strategy called "Missão Zero", based on five pillars (Figure 22), which has the objective of having zero work-related injuries to all employees.

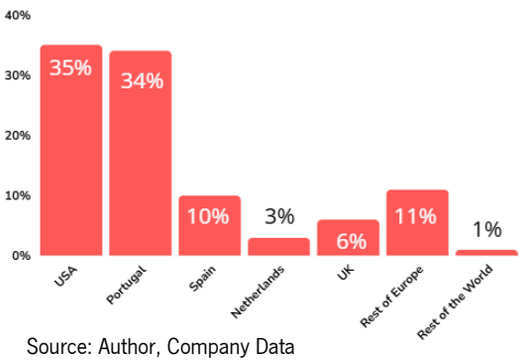
Navigator prioritizes several practices that generate a positive impact on employees. This is based on the offer of attractive salaries and benefits, continuous training, and work-life balance. There is also the rejuvenation program, offering economic advantages for older employees. The workforce is mainly male workers; the company is aware of this gender imbalance, which is influenced by the physical demands of forestry and industrial jobs (Figure 23).

ESG Performance Analysis – Governance(G):

Board of Directors: The board of directors is composed of Ricardo Miguel dos Santos Pacheco Pires, who currently serves as the president. António José Pereira Redondo, who acts as chairman of the Executive Committee, is also a member of the board of directors (Appendix 3 to see the board overview). The audit board is composed of 3 members and is presided over by José Manuel Oliveira Vitorino. The Statutory Auditor, the impartial organization designated to examine a company's financial records, is KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A (Appendix 2).

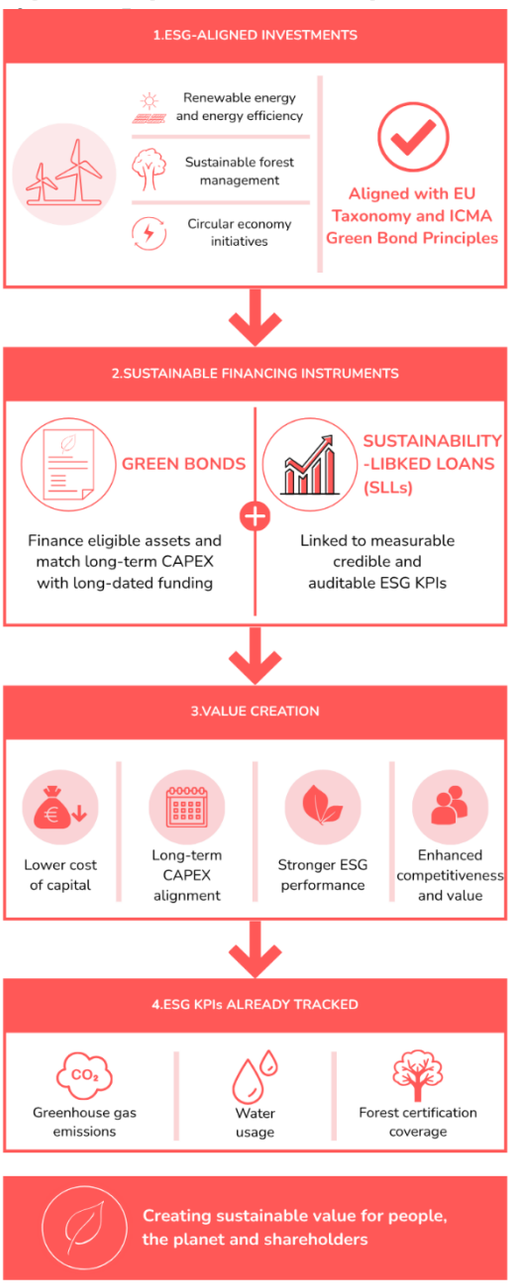
Shareholder Structure: The Navigator Company is listed on Euronext Lisbon and currently has a share capital of € 500,000,000, with 711.18 million shares outstanding. The shareholder structure is highly concentrated between Semapa Group, institutional

Figure 25: Geographic Distribution of Institutional Investors



Source: Author, Company Data

Figure 26: Navigator Possibilities for a Higher



Source: Author

investors, private investors, and others. Semapa Group holds approximately 70% of the equity, institutional investors account for 14%, followed by 13% held by private investors (Figure 24). The remaining is held by others. Excluding SEMAPA, the majority of institutional shareholders of Navigator are from the United States and Europe, with a sizable portion based in Portugal. European owners include investors from Spain, the Netherlands, and the United Kingdom. The remainder of the world is represented by a minimal share of institutional investors (Figure 25).

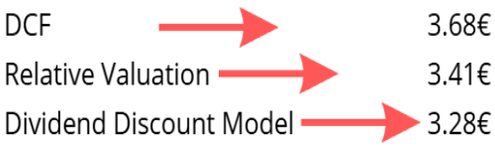
ESG Opportunities for Navigator

Navigator has significant opportunities to leverage ESG initiatives to improve its competitive position and financial performance in the competitive industries in which the company operates. One of the possibilities is to expand to sustainable financing instruments such as Sustainability-Linked Loans (SLLs) or the issuance of green bonds, since a great share of its activities are already linked to sustainable practices. In relation to green bonds, Navigator has a clear pipeline of eligible assets. Keeping investments in renewable energy capacity, energy efficiency at mills, forest management, and circular initiatives, which are well-aligned with the EU taxonomies and ICMA Green Bonds Principles, would allow Navigator to match its long-term CAPEX with long-dated funding. SLLs are particularly suited, given the company's ability to define measurable, credible, and auditable ESG KPIs, and the company already tracks key environmental indicators such as greenhouse gas emissions, water usage, and forest certification coverage. With these implementations, Navigator can support its cost-of-capital optimization (Figure 26).

INVESTMENT SUMMARY: Navigator's New Direction

This report issues a Buy recommendation to The Navigator Company, S.A. (XLIS: NVG) based on a year-end target price of €3.68 per share, representing a 15.7% upside potential from the closing price of €3.18 on the 24th of March, 2026. The main valuation methodology used for this target price is the Discounted Cash Flow, complemented by a Sensitivity Analysis, Scenario Analysis, and a Monte Carlo. A Relative Valuation and the Dividend Discount Model also support this valuation methodology (Figure 27). The following arguments briefly highlight the report's key findings:

Figure 27: Valuation Projections

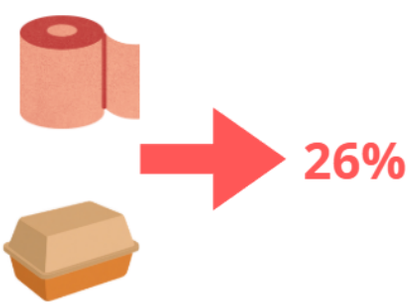


Source: Author

Thesis 1: Structural Cost Competitiveness and Integrated Business Model

Navigator benefits significantly from a vertically integrated production structure, having strong pulp self-sufficiency, spanning forestry, energy generation, and exposure to a competitively priced Iberian fibre. This positions Navigator favourably along the European cost curve in a highly cyclical pulp and paper industry. This type of structure enables the firm's management to allocate fibre to the highest-margin end-product, defending utilization rates during weak cycles, and mitigating supplier and energy costs volatility. Renewable energy self-sufficiency and modern industrial assets further reinforce the cost competitiveness. In industries that are characterized by high fixed costs and fierce price competition, the ability to protect margins during downturns is as critical as capturing upside in expansions. The Navigator platform is structurally designed to absorb cyclical pressure while preserving the operating capacity.

Figure 28: Sum of Navigator Tissue & Packaging Revenues in 2024, in Relation to Total Revenue



Source: Author, Company Data

Thesis 2: Repositioning Towards an Essential Turning Point: Tissue & Packaging

Navigator continues to be perceived primarily through its legacy exposure to printing and writing paper. However, the most economically relevant development is the company's gradual movement towards tissue and fibre-based packaging. This marks Navigator's turning point into a new business model, from products that are facing an increased decline in everyday consumption due to newer demands to categories that are part of everyday consumption. Tissue revenues have been increasing, passing from 8% of the total revenue in 2022 to 22% in 2024, expected to keep on growing in the forecasted period. Packaging, although still smaller in scale, also increased in the same period, and is expected to grow at a similar pace, accounting for only 4% of total revenues in 2024 so far (Figure 28). As this evolving mix increasingly shapes reported revenues and earnings, Navigator's risk profile improves because exposure to graphic paper becomes progressively diluted, while the cash flow is strengthened through participation in these segments with more stable market dynamics. Over time, this portfolio rebalancing challenges the market's "single market cyclical" perception and supports a reassessment of Navigator as a diversified forest-based firm with multiple structural drivers.

Thesis 3: Improving Earnings Quality with Valuation Support

Over the past few years, Navigator has demonstrated resilience despite operating in a high-cyclical industry. While the UWF segment faces structural pressure, the company has progressively shifted its strategy focus towards two segments, tissue and packaging, emerging as key growth drivers for the upcoming years.

Between 2021 and 2024, revenue expansion was supported by a strong performance in Tissue and favourable pulp market dynamics. Tissue is projected to keep growing, and packaging comes right behind, while UWF has a slight decline. Although margins normalized after a 2022 peak, profitability remains structurally positive, and ROE also remained stable, supported by the vertical integration and disciplined cost management. Furthermore, Navigator stocks seem to be undervalued. Over the past few months, the stock has kept on increasing, but following my DCF valuation, there is still room for a potential upside of 15.7%.

FINANCIAL ANALYSIS

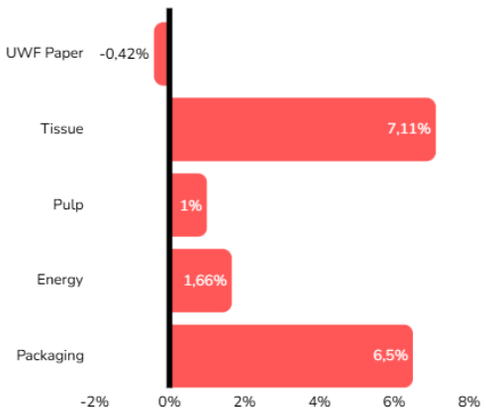
Table 5: Navigator Key Financials; 2020-2024 actual values, 2025 expected values, and forecasted values for 2026-2030

	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Revenues	1385.4	1595.9	2464.6	1953.2	2088.3	1982.7	2009.3	2068.31	2126.2	2182.4	2249.7	2322.4
Solvency												
Debt to Equity	100.90%	118.40%	62.47%	55.44%	74.90%	77%	77%	77%	77%	77%	77%	77%
Long Term Debt to Tot Debt	71.30%	61.58%	88.41%	85.41%	81.21%	80.52%	80.52%	80.52%	80.52%	80.52%	80.52%	80.52%
Interest Coverage Ratio	9.31x	17.98x	50.03x	14.47x	12.11	8.12x	7.26x	7.64x	8.42x	8.70x	6.91x	8.28x
Profitability												
ROE	10.64%	16.4%	31.16%	20.9%	21.16%	14.95%	13.35%	14.47%	15.99%	16.28%	12.75%	15.06%
ROA	4.28%	6.78%	13.48%	9.79%	8.56%	6.48%	5.8%	6.23%	6.84%	6.96%	5.44%	6.46%
EBITDA Margin	20%	22.34%	31.45%	26.44%	26.36%	24.22%	23.3%	23.7%	24.55%	24.8%	22.3%	25%
EBITMargin	8.99%	14.44%	24.76%	19.27%	18.47%	15.97%	15%	15.3%	16.1%	16.2%	13.4%	15.5%
Liquidity												
Current Ratio	112.20%	81.98%	124.31%	142.20%	124.29%	137.22%	132.79%	123.82%	118.50%	123.97%	106.83%	121.8%
Quick Ratio	84.44%	61.44%	92.22%	96.89%	90.25%	102.08%	98.08%	88.65%	83.11%	88.16%	70.00%	86.29%
Cash Ratio	47.49%	26.33%	36.85%	26.80%	32.18%	47.55%	43.46%	33.30%	27.55%	32.85%	14.45%	30.98%
Turnover												
Inventory Turnover	4.22	4.02	3.51	3.52	3.44	3,74	3.74	3.74	3.74	3.74	3.74	3.74
Asset Turnover	54.26%	63.15%	84.64%	69.53%	62.28%	60.51%	59.16%	61.53%	63.02%	63.35%	62.76%	62.18%
Op Performace												
Accounts receivables	54	66	65	71	77	65	65	65	65	65	65	65
Inventory Days	86	91	104	104	106	97	97	97	97	97	97	97
Accounts payables	82	124	128	108	104	106	106	106	106	106	106	106

Source: Author, Company Data

Revenues

Figure 29:Forecasted Sales CAGR (2026-2031)

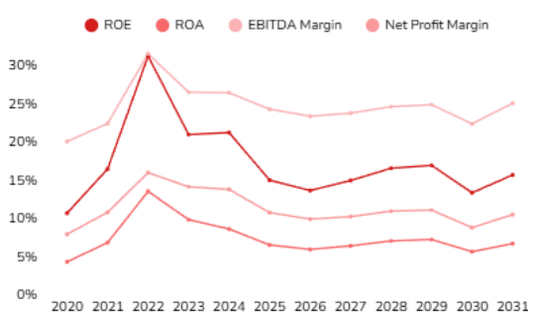


Source: Author

The most illustrative period of revenue growth in Navigator was from 2020 to 2022, where the revenues increased by almost 78%. This expansion was mostly driven by the strong performance of the tissue, pulp, and packaging segments, based on very favourable market conditions for pulp and paper in this period. Tissue revenues nearly doubled from 2021 to 2023, rising from €143.6 million to €292.9 million, a 104% rise, supported by new industrial capacity from the new tissue machine at the Cacia site, allowing Navigator to shift towards converted tissue products with higher consumer value. The pulp for the market also saw robust growth: increasing from €159.6 million to €253,9 million, a 59% rise, benefiting from international favourable pulp price cycles. The UWF paper, still the largest revenue contributor, exhibited significant volatility throughout the years. It peaked at €1725.2 million in 2022, declining in 2023 and in 2024, mainly because of the normalization in paper prices and weaker demand in graphic paper. The energy segment showed cyclical fluctuations linked to the volatility of electricity prices in Europe, and packaging, despite being the smaller revenue contributor, demonstrated a meaningful growth momentum. For the projection period, tissue is expected to remain the key growth engine, with a CAGR of 7.11%, followed by packaging, which is expected to maintain momentum with 6.45%, energy at 1,66%, UWF paper at -0,42%, and pulp for the market at -0,5%. I forecast a CAGR of 2,44% for Navigator in the projection period (Figure 29) (Appendix 13).

Profitability

Figure 30: Profitability Ratios (2020-2031)



Source: Author, Company Data

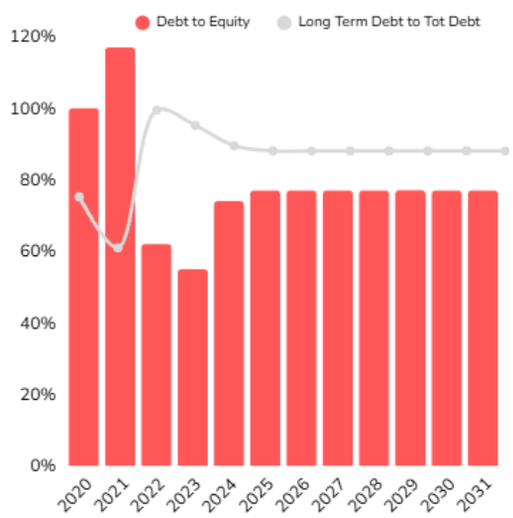
The Return on Equity (ROE) is decomposed by using the standard accounting definition, measuring the overall return generated for equity holders. Historically, Navigators ROE exhibits strong cyclicality, peaking at 31,16% in 2022, driven by exceptional margin expansions and favourable pulp price dynamics. From 2023 onward, ROE normalizes as market conditions stabilize. In my forecast period, ROE is projected to stabilize between 12% and 16%, consistent with mid-cycle profitability assumptions and a growing equity base supported by retained earnings.

The Operating Return on Assets (ROA) is calculated through the net income and the total assets, reflecting Navigator's ability to generate earnings from its assets. Overall, the evolution of the ROA shows that Navigator's profitability is cyclical but structurally

positive, maintaining solid asset efficiency, even under normalized conditions. In the forecasted period, it stabilizes between approximately 5% and 7%, consistent with higher capital intensity resulting from future investments (CAPEX). Overall, the fact that ROE is constantly higher than ROA suggests that some leverage is being used.

The EBITDA and the EBIT margins in the historical period show an upward trend until 2022, once again reflecting favourable conditions in the pulp pricing. Over the forecast horizon, the EBITDA Margin stabilizes, and the EBIT Margin is expected to decline due to higher investment levels, increasing depreciation affecting the EBIT (Figure 30).

Figure 31: Solvency Ratios Trend (2020-2031)



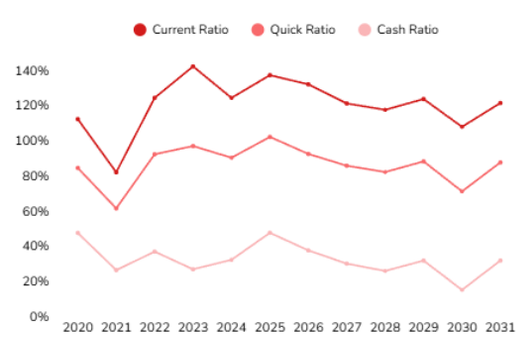
Source: Author, Company Data

Solvency

Based on the historical period from Navigator, the Debt-to-Equity ratio shows significant volatility, starting at 100.9% in 2020, increasing to 117.71% in 2021, and then decreasing a lot in 2023 to 62.47%. For the forecast period, I expect a relatively stable Debt-to-Equity ratio, assuming the 2025 value of 77% until 2031. The Long-Term Debt to Total Debt shows that Navigator has a well-structured debt maturity profile, with limited short-term refinancing risk (Figure 31). The Interest Coverage Ratio follows a substantially positive trend from 2020 to 2022, however, it stabilizes afterward. I expect a declining stable trend in my forecasted years, especially until 2027, but the coverage levels remain comfortably above the 5 thresholds, which is typically associated with low credit risk.

Liquidity

Figure 32: Liquidity Ratios Trend (2020-2031)

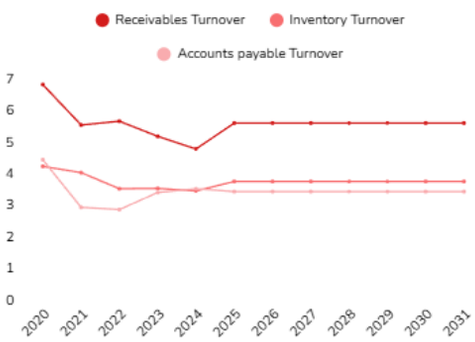


Source: Author, Company Data

Navigator maintains a consistently comfortable liquidity position in the historical period, and also based on my forecast period, indicating greater short-term financial flexibility. The Current ratio remains over 1 in the period of analysis, suggesting that current assets comfortably cover short-term liabilities. Quick ratio trends slightly downward in my projection years, but it generally remains close to 1, indicating that even excluding inventories, the company maintains sufficient liquid resources to meet obligations. The Cash ratio shows higher fluctuations and a declining trend in my forecasted period. While this may suggest a more efficient deployment of excess cash towards investment and debt servicing, it also implies reduced liquidity buffers (Figure 32).

Turnover

Figure 33: Turnover Ratios Trend (2020-2031)



Source: Author, Company Data

Overall, turnover ratios indicate a normalization of operating efficiency following cyclical volatility. Receivables turnover declines until 2024, and stabilizes thereafter in the projected period, due to Navigator having a more predictable cash conversion. I expect the Inventory Turnover to remain broadly stable in the forecasted period, assuming that Navigator will keep the inventory management balanced without excessive stock accumulation (Figure 33).

The Asset Turnover peaked in 2022, then declined and stabilized at lower levels, likely reflecting increased capital intensity driven by CAPEX and asset expansion, reinforced by the rise of the PPE-to-sales ratio, signalling that Navigator is in a phase of a structurally more asset-heavy business model.

Operating Performance Ratios

The operating performance ratios reflect a stabilization of working capital management over the period of analysis. The accounts receivable days increased until 2024, reflecting a deterioration in collection efficiency during a more volatile operating environment. However, I forecast that from 2025 onward, the receivables will stabilize at approximately 65 days. The Inventory days in the forecasted period remain stable at 98 days. This projected level reflects the structural working capital intensity of an industry, such as pulp and paper. The accounts payable in days indicate an improvement in the bargaining power of the company.

Dividend Policy

Table 6: Dividend Growth

Dividend (€)	
2020	0,21
2021	0,35
2022	0,28
2023	0,21
2024	0,24

Source: Author, Company Data

Navigator has demonstrated a dividend policy that is aligned with the earnings performance, reflecting the cyclical dynamics of the pulp and paper industry. The dividend per share increased from €0.2101 in 2020 to €0.3515 in 2021 (+67%). In 2022 and 2023, dividends declined to €0.2812 and €0.2109, respectively, following earnings normalization. In 2024, dividends went up again to €0.2461, in line with net income improvements (Table 6). For the projection period, the payout ratio is assumed to remain at the constant level of 70%, calculated as regular dividends divided by the net income, assuming no changes in the company's dividend distribution policy happen.

VALUATION

I issue a **buy** recommendation for The Navigator Company based on the Discounted Cash Flow (DCF) backed by a 2026 year-end target price of €3.68, which indicates a 15.7% upside potential from a closing price of €3.18 on March 24th, 2026. This analysis is complemented by Sensitivity Analysis, Scenario Analysis, and a Monte Carlo Simulation. A Relative Valuation, Dividend Discount model, and Option Valuation were also computed to enhance this analysis.

Weighted Average Cost of Capital

Table 7: Weighted Average Cost of Capital

Weighted Average Cost of Capital	
Equity (MV)	2 331 258 100
Debt (MV)	1 015 714 652
Total Value	3 346 972 752
Cost of Debt	
Tax Rate	31,50%
D/V	30,35%
After Tax Cost of Debt	3,32%
Cost of Equity	
Rf	2,87%
Market Risk Premium	8,62%
Beta	0,72
CAPM	9,10%
E/V	69,65%
Cost of Equity	9,10%
WACC	7,03%

Source: Author

Cost of Equity: The Navigator cost of equity was calculated using the capital asset pricing model (CAPM). To begin with this computation, first, I chose a risk-free rate of 2.87%, based on a 10-year German bond, which is the most appropriate to use in this context. The Equity Risk Premium (ERP) was calculated based on the revenue exposure that Navigator faces (Appendix 9). I used the average risk premium of each region where the firm operates, weighted by the proportion of sales in each region, and got a cumulative Equity Risk premium of 8.62%. Lastly, the Navigator beta was calculated using the bottom-up approach, by taking the average unlevered beta of comparable firms and re-levering it at the Navigator expected capital structure. After all the primary computations, I calculated the CAPM and got a final value of 9.10% for the cost of equity.

Cost of Debt: To get the cost of debt for Navigator, I started by calculating the interest coverage ratio, which is the company's EBIT divided by interest expenses, and the result gave me a credit rating of AAA, according to Moody's. This AAA rating indicates that Navigator has a default spread of 0,45%, so to estimate the cost of debt, I added the default spread to the risk-free rate, and got a final value of 3.32%.

WACC: Navigator capital structure consists of a debt-to-value (D/V) ratio of 30.35% and an equity-to-value (E/V) ratio of 69.65%, leading to a weighted average cost of capital of 7.03% (Table 7).

Strategic Outlook

The competitive field for Navigator is expected to undergo a significant transformation. In Appendix 7, I have the main key assumptions. The company's growth in the tissue

Figure 34: Navigator Investment Roadmap



Source: Author

Table 8: Navigator DCF Valuation Price

DCF Valuation FY2026 (€ millions)	
Enterprise Value	3421.08
Market Value of Debt	1138.85
Cash & cash equivalents	332.81
Non-controlling interests	0.38
Value of Equity	2614.66
Shares Outstanding	711.18
Value of Equity per share	**3.68€**
Result	**Undervalued**
Upside	**15.7%**

Source: Author

Figure 35: Capex Historical and Forecasted



Source: Author, Company Data

and packaging industries opens the door to multiple strategic initiatives aimed at supporting and accelerating this growth. Navigator plans to make substantial investments in these segments in the next few years, the first being the acquisition of a new tissue machine and the transformation of a paper machine into a packaging machine in 2026. Since this kind of capital investment is relatively rare and strategically significant within this industry, the investments that Navigator will make in 2026 are expected to boost production capacity and contribute meaningfully to revenue growth. In addition, I assume that Navigator will continue its acquisition strategy by purchasing key segments beyond pulp and paper with attractive long-term fundamentals. So, in my projections, I assumed Navigator intends to pursue a packaging-related acquisition to reinforce its strategic positioning in this segment. Although restructuring efforts and restoring the company's purchasing power are likely to take some time, I anticipate that this acquisition will likely take place around 2030 (Figure 34). These initiatives are expected to reshape Navigator's operational profile over the forecast period materially and are central to this analysis (Appendix 14).

Discounted Cash Flow

The DCF valuation uses the FCFF methodology to estimate the company's enterprise value by discounting projected cash flows to the firm's WACC and the target price at the end of 2026. The horizon for the forecasted cash flows is 2027E-2031E, which is a horizon that reflects Navigator's ongoing business shift and the build-up of investments planned for the period (Appendix 15).

First, the FCFF is calculated as EBIT minus taxes (NOPAT), then depreciation and amortization are added back, and lastly, CAPEX and changes in working capital are subtracted. Investment is a central part of Navigators' growth strategy, and my forecast reflects this through an elevated but targeted CAPEX profile (Figure 35). The terminal growth rate used is a 1.25% perpetual growth, derived from the multiplication of the reinvestment rate by the return on invested capital, keeping in line with the assumption that Navigator moves into a stable long-run phase and that it will continue to grow modestly once its portfolio shift is largely in place, also to be consistent with real GDP and inflation rates in Portugal.

The Terminal Value is calculated using the fundamental perpetual growth approach, where the terminal growth rate is derived from the product of the reinvestment rate and

Table 9: Terminal Value Calculation

Terminal Value	
Method	Gordon growth
Terminal year	2031E
Growth rate	1.25%
WACC	7.07%
Reinvestment Rate	15.12%
Discounting date	2026

Source: Author

the return on invested capital. The 2031 EBIT(1-t) is multiplied by one minus the reinvestment Rate to obtain the normalized FCFF, which is then divided by the spread between the WACC and the implied growth rate, and discounted back to present value (Table 9).

Consequently, after doing the computations, I ended up with an Enterprise Value of 3.42 billion euros and a target price for the end of 2026 of €3.68 per share, broadly in line with the analyst consensus, supporting a BUY recommendation (Table 8).

Sensitivity Analysis

To better assess potential variability in outcomes and robustness of the DCF, in this part of the report, a sensitivity analysis was conducted to test the impact of the WACC and terminal growth on the company's share price. Both parameters are varied in increments of 0.25% to get a more precise estimation of their sensitivity. The results obtained in this analysis are summarized in Table 10.

Table 10: Sensitivity Analysis Summary

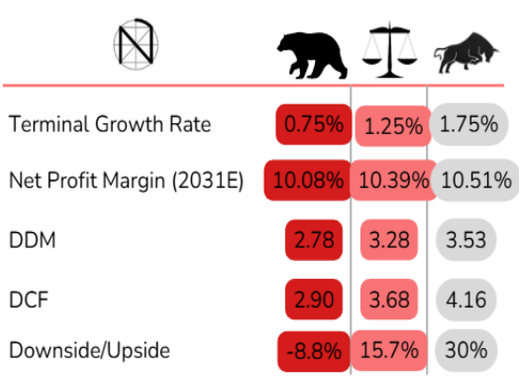
	Terminal Growth Rate		
WACC	0.25%	1.25%	2.25%
6.03%	3.88	4.69	5.92
7.03%	3.13	3.68	4.44
8.03%	2.58	2.96	3.48

Source: Author

First, I focused on analysing the impact of the WACC, and the results showed significant variations in the estimated share price. In the most optimistic scenario, where the WACC is at 6.03%, the Navigator share price is projected to be €4.69. When looking at the worst case, where the WACC rises to 8.03%, the share price corresponds to €2.96. Changes in the terminal growth produce a very similar effect to the sensitivity analysis: a 1% increase in the growth rate leads to a target price of €4.44, and a decrease in 1% leads to a lower share price of €3.13. Small changes in the WACC and terminal growth have similar effects on how they affect the valuation, highlighting the sensitivity to these assumptions, Appendix 16 for further detail.

Scenario Analysis

Figure 36: Scenario Analysis



Source: Author

A scenario analysis was also conducted in order to get two different scenarios: the bear and the bull case. In this analysis, I opted to only change the terminal growth rate compared to the one that I made previously in the sensitivity analysis, and also changed the revenues per business segment in order to better reflect updated operating expectations and segment-specific growth dynamics.

Regarding the Bear scenario, there is a decline in the revenues in several segments of Navigator caused by the weaker demand for products derived from pulp and paper, enhanced consumer adaptation to digitalization, and a rough cyclical period for pulp and paper. The result given by this scenario is a DCF of €2.90 per share, representing a downside of approximately 9%, compared to the current share price, and it is €0.78 lower than the base case scenario, becoming a sell recommendation.

On the other hand, the Bull case is driven by a revenue increase due to the continuous growth in the tissue and packaging segments, based on new trends in consumer habits, also showing a favourable cyclical recovery in terms of the pulp and paper industry. Alongside the company's continued operational excellence and leadership in environmental and social sustainability practices, this scenario results in a DCF-derived equity per share of €4.16, representing an upside of 30%, confirming a Buy recommendation (Figure 36).

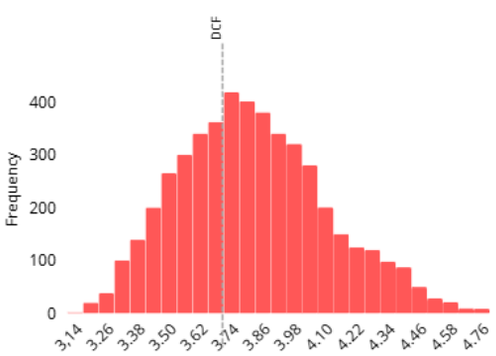
Monte Carlo Simulation

A Monte Carlo Simulation of 5,000 iterations was performed, sampling the terminal growth rate and the WACC. Figure 37 shows the resulting share price distribution between €3.14 and €4.76, with a mean of €3.65. The 5th and 95th percentile range between €3.35 and €4.22, suggesting that the majority of plausible valuations fall into this interval. Values between the current price and the target price (€3.18-€3.68) account for roughly 46% of the outcomes, and only 3% of the sample accounts for simulations, suggesting a sell recommendation. So, these simulations strengthen that the upside potential and valuation level implied by the Monte Carlo simulation is highly consistent with the DCF of €3.68. Furthermore, 10% of the sample exceeds the bull case of €4.16. Overall, the close alignment between the DCF target price and the average simulated values indicates that this share price has a substantial likelihood of significant growth in the future.

Relative Valuation

In the Relative valuation, I valued Navigator using comparable companies, based on valuation multiples such as NTM EV/EBITDA, NTM Price-to-earnings (P/E), and NTM EV/SALES. These were the selected multiples to be consistent and capture Navigator's operating performance, shareholder value, and scale. The peer group used included the

Figure 37: Monte Carlo Analysis



Source: Author

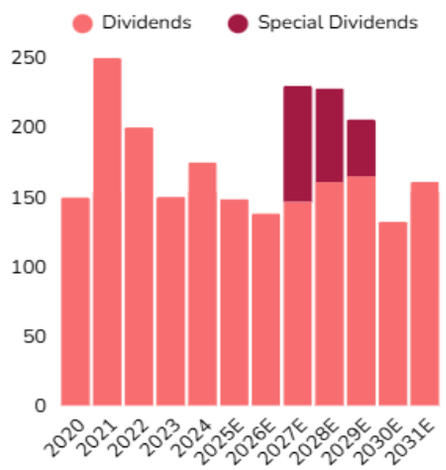
Table 11: Relative Valuation Summary

Company	NTM EV/EBITDA	EV/SALES	P/E
UPM-Kymmene Oyj	8,44	1,55	13,59
Stora Enso Oyj	8,63	1,19	17,84
Holmen AB	12,19	2,74	19,97
Altri SGPS SA	6,18	1,32	9,94
Klabin S.A.	6,04	2,23	12,82
Average	8,30	14,83	1,81
Implied Share Price	3,24	4,12	2,88
Average Implied Value per Share:		3.41€	
Result:		Undervalued	

Source: Author, LSEG Workspace

following companies: UPM-Kymmene, Stora Enso OYJ, Holmen AB, Altri SGPS, and Klabin SA. The average multiples for the selected peer group are 8.3x EV/EBITDA, 14.83x P/E, and 1.81x EV/Sales. Applying these multiples to Navigator's forecasted financial results, I derived a valuation of implied share prices of €3.24 (EV/EBITDA), €4,12 (P/E), and €2.88 (EV/SALES), yielding an average target price of €3.41 per share. This implies a moderate upside relative to the reference current market price of 7.23%. The relative valuation was not used as the final price calculation, but it supplements the BUY view on the shares of Navigator (Appendix 18).

Figure 38: Historical Dividends and Forecasted (2020-2031)



Source: Author, LSEG Workspace

Dividend Discount Model

Given Navigator's well-established dividend policy and its positioning as a mature business, the Dividend Discount Model (DDM) is applied as a complementary valuation approach (Appendix 19). To proceed with this valuation, I assumed a stable 70% payout ratio over the forecast horizon, consistent with Navigator's historical commitment to distribute earnings to shareholders. In addition, in periods with low CAPEX, special dividends were incorporated, calculated as a proportion of excess cash generated (Figure 38). To retrieve a realistic value, a more prudent perpetual growth was adopted, aligned with the long-term GDP growth expectations, and under these assumptions, the DDM yields a target price of €3.28. This valuation implies an upside of approximately 3% relative to the current market price, supporting a HOLD recommendation (Table 12).

Table 12: Dividend Discount Model

DDM	Value per Share (€)
PV Forecasted Dividends	0.96
Terminal Value	3.36
Terminal Value (PV)	2.33
Equity Value per Share	**3.28**
Result	**Undervalued**
Key Assumptions	
Payout Ratio	70%
Perpetual Growth	1.9%
Cost of Equity	9.10%

Source: Author

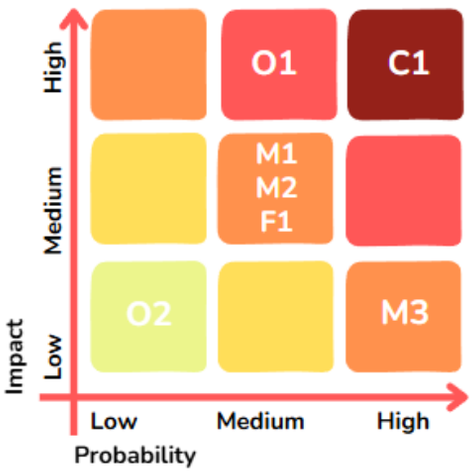
INVESTMENT RISK

(C1) Cybersecurity, information, and AI - Probability: Very Likely & Impact: High

Risk: Navigator faces the risk of losing the security, confidentiality, integrity, and availability of data, considered the main risk it faces, due to improper access, new cyber-attack methods, or information theft, which can exploit vulnerabilities in information, corporate, and industrial control technologies. These incidents can lead to operational downtime, damage to the reputation, and financial losses.

Mitigation: To reduce this risk, Navigator must continue to strengthen its cybersecurity structure through its formal enterprise-risk management framework, reinforced by internal audit functions, implementation of secure unified technological infrastructures, and continuous investment in monitoring employees.

Figure 39: Risk Matrix



Source: Author, Company Data

Market Risks

(M1) Price Volatility - Probability: Likely & Impact: Moderate

Risk: Market conditions have been varying a lot, so Navigator faces the risk of prices going up in the pulp and paper market, making the margins fluctuate in an uncertain way. This exposure is amplified because of the structural pressure in the UWF segment.

Mitigation: Navigator mitigates this aspect by diversifying beyond UWF in some segments, such as tissue, packaging, and pulp, strengthening its product portfolio.

(M2) Competitive Environment - Probability: Likely & Impact: Moderate

Risk: The competitive landscape pressures Navigator due to the positioning of some producers, particularly Latin American pulp and paper players, who have significantly lower production costs.

Mitigation: The continuous bet by focusing on premium product differentiation, expansions to segments such as gKRAFT packaging and tissue, leveraging strong commercial relationships, and reinforcing cost efficiency.

(M3) Consumption Changes/Structural Decline - Probability: Very Likely & Impact: Low

Risk: There is a structural and irreversible decline in demand for printing and writing paper driven by the digitalization and changes in consumer habits, reducing long-term volume potential in the core of the company, the UWF.

Mitigation: Reallocate investment towards growth areas such as tissue and sustainable packaging, developing innovative fibre-based alternatives, and broadening the exports, reducing reliance on Europe's mature markets.

Operational Risks

(O1) Access to Wood - Probability: Likely & Impact: High

Risk: Wood is the most crucial raw material for pulp and paper production, so Navigator is exposed to its availability based on regulatory or legislative restrictions, and failures to promote productivity, resilience, and sustainability of national forests might limit domestic supply.

Mitigation: Navigator through rigorous preventive and predictive maintenance programs, keeps continuous development in industrial modernization and automation to optimize asset performance and ensure stable mill operations.

(O2) Efficiency and Industrial Failures - Probability: Unlikely & Impact: Low

Risk: Navigator faces the risk of equipment failures, operation inefficiencies, or unplanned shutdowns in their mills, which can cause disruption of production flows, reduce output quality, and increase the maintenance costs.

Mitigation: The company has several strict programs to prevent and predict errors, maintain performance with excellence, and ensure health and safety for all employees.

Financial Risk

F1) Capital and Liquidity - Probability: Likely & Impact: Medium

Risk: Navigator is exposed to several financial risks inherent to its operations, including interest rate volatility, constrained access to financing during tighter credit conditions, and asset valuation risk, as adverse market dynamics may reduce demand and trigger impairments of industrial or forest assets, negatively impacting the net income. Additionally, the company faces credit risk related to customer receivables, particularly during periods of economic slowdown, when liquidity pressures may increase the likelihood of defaults.

Mitigation: The financial risk is mainly mitigated by applying a solid liquidity position and diversified financing sources. These actions are coordinated by the Risk Management department.

Investment Case Conclusion

Overall, Navigator faces material exposure to cyclical demand, input cost volatility, and financial risks inherent to a capital-intensive industry. While diversification into tissue and packaging helps achieve a strong cash flow generation and improve the company's resilience in the market, the investment case still remains very sensitive to macroeconomic conditions and execution risk.

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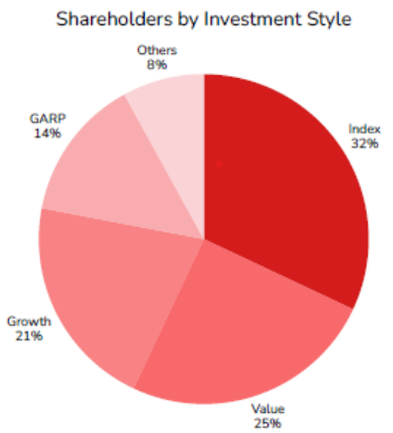
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APPENDICES

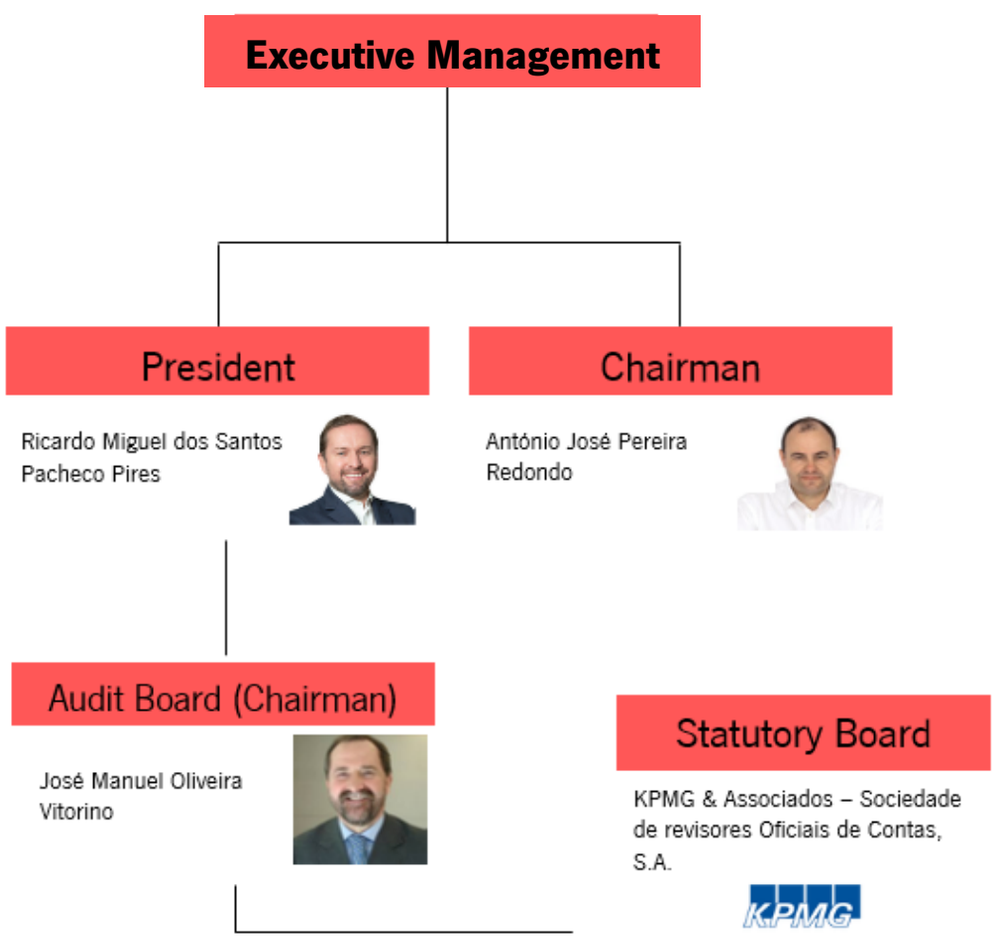
Appendix 1: Shareholders by Investment Style



From an Investment Style perspective, Index Funds constitute the largest proportion of institutional ownership, followed by investors adopting value and growth strategies. GARP (Growth at a Reasonable Price) investors represent a smaller segment, while the remaining equity is distributed among investors employing alternative investment approaches.

Source: Author, Company Data

Appendix 2: Governance Structure



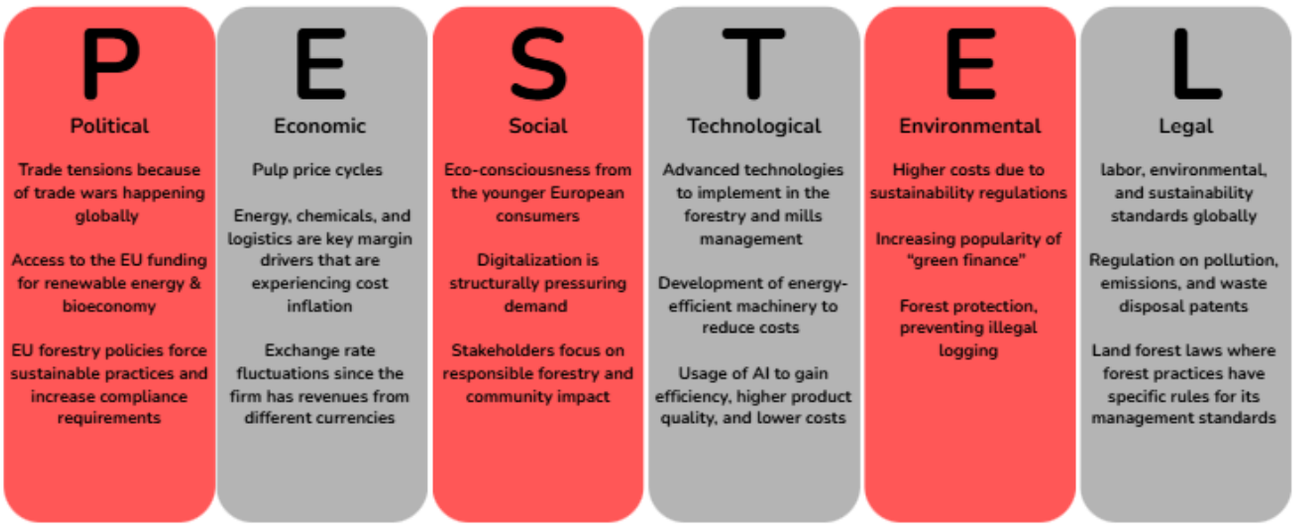
Source: Author, Company Data

Appendix 3: Board of Directors

Name & Position	Background
Ricardo Miguel dos Santos Pacheco Pires, President of the board	Degrees from Universidade Católica Portuguesa, ISCTE, and Universidade Nova de Lisboa; with Semapa since 2008, now Executive Director and Chairman of the Executive Committee
António José Pereira Redondo, Member of the board	Degree in Chemical Engineering (University of Coimbra), MBA in Marketing (UCP); CEO of The Navigator Company since 2020, former CCO, with industry leadership roles
José Fernando Morais Carreira de Araújo, Member of the board	Law and Accounting degrees, MBA in Corporate Reporting, Chartered Accountant, executive director since 2007, with extensive experience in tax, accounting, and corporate governance
Nuno Miguel Moreira de Araújo Santos, Member of the board	Degree in Civil Engineering (Instituto Superior Técnico) and MBA (INSEAD); former Senior Partner at McKinsey, executive director of The Navigator Company since 2015, and President of APIGCEE
João Paulo Cabete Gonçalves Lé, Member of the board	Agronomy and Finance degrees; with Navigator ~30 years, CEO of Portucel Moçambique since 2016, executive director since 2020
Dorival Martins de Almeida, Member of the board	Chemical Engineering and MBA; Industrial Director at Navigator since 2021, executive director since 2023, with extensive pulp and paper experience
António Quirino Vaz Duarte Soares, Member of the board	Business Management and Economics degrees; with Navigator since 2001, Executive Committee member since 2023, overseeing Marketing, Sales, and Supply Chain
Ana Teresa Cunha de Pinho Tavares Lehmann, Member of the board	Management and Economics degrees; non-executive board member of Navigator, former Secretary of State for Industry, professor, and international advisor
Hugo Alexandre Lopes Pinto, Member of the board	Civil Engineering and Finance degrees, MBA (INSEAD); with Semapa Group since 2013, non-executive director at Navigator since 2023, and board member of multiple companies
Maria Isabel da Silva Marques Abranches Viegas, Member of the board	Psychology and HR degrees; Chief People Officer at Semapa since 2022, non-executive director at Navigator since 2023, with extensive HR leadership and advisory experience
Maria Teresa Aliu Presas, Member of the board	Psychology degree; former senior executive at Tetra Pak and CEPI, consultant at Magellan, non-executive director of Navigator since 2019
Mariana Rita Antunes Marques dos Santos, Member of the board	Business Management and MBA; entrepreneur and international business professional, non-executive director of Navigator since 2019
Sandra Maria Soares Santos, Member of the board	Non-executive director of Navigator since April 2019; former CEO and CFO with extensive experience in industrial operations, finance, and international business
Vítor Paulo Paranhos Pereira, Member of the board	Economics degree (Portuguese Catholic University), Non-executive director of Navigator; long-standing board and chairman roles in related Semapa companies

Source: Author, Company Data

Appendix 4: PESTEL Analysis



Source: Author

Appendix 5: Navigator Peer Group

UPM-Kymmene OYJ, the leading company in pulp and paper sector in terms of market cap in Europe and probably the most challenging peer to Navigator, due to its dimension in terms of operations, it is based in Finland, having a comprehensive portfolio in renewable fibres, advanced materials, low-carbon solutions and printed papers, serving a wide range of industries, the company keeps the paper and forest products as an important part of the business even though they now pursue growth in science-based operations, that provide high value to the firm costumers', the firm holds several awards and recognitions in terms of sustainability performance competes directly with Navigator in the European uncoated woodfree segment and global pulp markets.

Stora Enso OYJ, a Finnish-Swedish firm that focuses on bio-based and carbon-storing solutions for low-carbon building construction, circular packaging, and advanced biomaterials**,** alongside a continuous focus on forest management. It is the leading provider in terms of renewable products in packaging, biomaterials, and wooden construction. The core mission is to create a positive value for both society and the environment, replacing all non-renewable products with renewable ones at an accelerating pace. A major pulp producer and a relevant competitor in the market for pulp and certain paper grades. Its vertically integrated forest ownership in the Nordics provides several cost advantages in wood sourcing.

Holmen AB, a Swedish company, owns extensive forest holdings at the foundation of its business. It operates in forest management, renewable energy, wood products, board, and paper. This company is also highly integrated, owning several forest assets in Sweden, ensuring good quality wood for climate-smart building,

renewable packaging, magazines, and books, while at the same time, they are able to generate hydro and wind power on their own land. Even though they are less exposed to the pulp segment, they are a fierce competitor in the graphic paper segment and benefit a lot from renewable energy self-sufficiency, enhancing margin resilience just like Navigator.

Altri SGPS S.A., headquartered in Portugal, is a focused producer of bleached eucalyptus pulp (BEKP) and is involved in sustainable forest management, with operations mainly concentrated in Portugal. Altri is one of the lowest cost producers in Europe in terms of production of cellulosic fibres, having three cellulosic fibre mills: Celbi, Caima, and Biotek, with a technical capacity to produce above 1million tonnes per year. Being primarily exposed to pulp production and operating in Portugal makes it a direct competitor to the Navigator pulp segment, but it lacks diversification, so it´s more directly impacted by global pulp price cycles.

Svenska Cellulosa, commonly known as SCA, a Sweden-based forest industry group, has operations in forest management, wood, pulp, containerboard, and renewable energy. It's one of the largest private owners of forests in Europe, having a strong cost advantage in wood supply. The heavy focus nowadays is on kraftliner and containerboard packaging materials, alongside market pulp production. While SCA has limited exposure to printing and writing paper compared to Navigator, it competes in pulp markets, benefiting from a high vertical integration and exposure to structurally growing packaging demand, and benefits a lot from renewable energy, by producing biofuels and investing in wind power projects.

Source: Author, Firms' Data

Appendix 6: SWOT Analysis

S Strengths	W Weaknesses	O Opportunities	T Threats
Cost-competitive pulp producer: Navigator has a vertically integrated forestry model (owned eucalyptus plantations), which supports low cash costs and margin resilience. **Geographic diversification of revenues:** Having operations in Europe, North America, and Asia helps mitigate single-market demand risk. **Global presence:** Exports to over 130 countries. **High-quality assets:** Navigator is always concerned with having modern and large-scale pulp and paper mills to keep strong efficiency in the operational field and maintain high utilization rates.	**Exposure to cyclical pulp prices:** The firm's earnings remain very sensitive to global supply-demand dynamics. **Structural decline in printing & writing paper:** Directly impacts Navigator's core uncoated woodfree paper business, despite focus on premium segments. **Governance concerns:** This is the weak link in terms of the ESG scores for the company, mainly because of structural factors. **Limited downstream diversification:** Tissue, packaging, and specialty papers still represent a small share of the business.	**Anti-plastic trends**: There is a rising demand for sustainable packaging that is not made from plastics. **ESG-linked financing:** Green bonds and sustainability-linked loans can lower the cost of debt and broaden the investor base. **Development of bio-based products and bioenergy:** Biomass, biofuels, and bio-products improve asset returns and earnings stabilization. **Innovation in forestry management**: Investing in more forestry tools to monitor forest health, growth cycles, and risks.	**Increasing energy costs:** Navigator operates in an industry that is intensely dependent on energy, increasing energy costs may damage profitability. **Digitalization:** Demand for paper-based products is under pressure due to the shift to a digital background. **Pulp oversupply & price volatility:** European producers face stricter environmental regulation, higher overall costs, and more limited expansion opportunities. **Rising competition from low-cost producers:** Latin American countries like Brazil, Uruguay, and Chile continue to add large low-cost eucalyptus pulp capacity.

Source: Author

Appendix 7: Key Assumptions

The forecast was established from 2025 to 2031, with values from 2025 derived from the 9-month report from The Navigator Company.

Revenues: Navigator's revenues are built bottom-up by segment and then aggregated to total sales over the explicit forecast period. The approach reflects the different structural drivers across Navigator's portfolio, with mature activities modelled conservatively and growth platforms given more runway in the near term before converging toward more normalized rates.

UWF paper is treated as a mature segment and is therefore modelled with a slight decline over time, consistent with ongoing substitution effects and limited end-market growth. In contrast, Tissue and Packaging are modelled as the main growth engines, supported by capacity ramp-up, product mix improvement, and expanding demand.

Pulp for market and Energy are modelled as balancing lines within the portfolio. Market pulp is assumed to be slightly down as internal integration increases, while Energy revenues normalize and then evolve in line with a modest inflation-linked trajectory.

Costs: I believe that costs such as Cost of Goods Sold (COGS) and Selling, General and Administrative (SG&A), modelled as a percentage, are expected to decline over time, as fixed production and general running costs are spread over higher revenues. This is reinforced by a shift toward higher-margin segments (Tissue and Packaging), ongoing efficiency gains in energy, and the increasing use of AI and digital tools in operations, including process optimization and data-driven decision-making, supporting gradual and structural margin expansion over time.

Following the acquisition, these cost ratios are expected to temporarily increase due to the incorporation of a new business, before declining again as Navigator applies its well-established efficiency and operational improvement model.

CAPEX & D&A: Discrete strategic projects and a recurring base component make up Capex. To maintain consistency with Navigator's historical reinvestment pattern and the capital intensity of an integrated pulp-and-paper platform, maintenance Capex is modelled as a percentage of revenues, reflecting maintenance needs and minor growth investments.

On top of this baseline, I explicitly layer the major investment programs shown in the company's industrial plan, including the PM3 rebuild, the tissue machine investment, and the decarbonization roadmap, and I add a conservative acquisition-related Capex buffer in 2030 to account for integration and initial improvement investments.

Depreciation and amortization are modelled consistently with the expanding asset base. D&A is forecast as a percentage of revenues but is allowed to trend upward with a short time lag after peak Capex, reflecting the commissioning of new assets and the higher depreciable base.

Working Capital: Inventories, trade receivables, and trade payables are projected using stable turnover ratios, while other working-capital items (other current assets, accruals, and other current liabilities) are modelled as percentages of revenues based on historical averages, so they scale proportionally with sales and avoid artificial volatility in free cash flow.

Debt: Debt levels are modelled to keep Navigator's capital structure stable through the explicit forecast period. Short-term and long-term debt are projected as a percentage of equity, implying no major change in leverage policy and no reliance on exceptional financing actions.

Appendix 8: Beta Calculation with Bottom-up Approach

Company Name	Ticker	Levered Beta	Debt/Equity Ratio	Unlevered Beta
UPM-Kymmene Oyj	UPM.HE	0.96	0.31	0.77
Stora Enso Oyj	STE-A.ST	1.02	0.77	0.63
Holmen AB	HOLM-B.ST	0.44	0.05	0.43
Altri SGPS SA	ALTR.LS	0.54	0.57	0.39
Ence Energia y Celulosa SA	ENC.MC	1.26	0.86	0.76
Rottneros AB	ROTTERS.S	1.08	0.48	0.79
Klabin SA	KLBN11.SA	0.39	1.82	0.14
Average		0.81	0.69	0.56

Beta	
Average Unlevered Beta	0.56
Navigator D/E	0.44
Tax Rate	31.5%
Relevered Beta	**0.72**

Source: LSEG Workspace

Appendix 9: Equity Risk Premium computation

Equity Risk Premium		
Region	**Sales %**	**ERP**
Africa	0,1081	13,70%
America	0,0879	11,45%
Asia	0,0723	9,95%
Europe (Region)-Portugal (Country)	0,5917	7,62%
Oceania	0,01	6,43%
Portugal	0,1398	5,98%
Total	1,0	**8,62%**

Source: Author, Damodaran Data, Company Data

Instead of using a single ERP for Portugal (where the Navigator is listed), I used a sales-weighted ERP across all geographies where the Navigator operates. This is the approach Damodaran recommends for

multinationals — the idea being that a company's risk exposure should reflect where it actually generates its revenues, not just where it's headquartered. I used Damodaran's January 2025 country risk premium data for every country in the world. Each country has a Total ERP that combines the mature market ERP (USA baseline of 4.2%) plus a country risk premium that reflects sovereign risk, political instability, etc. Since the Navigator's revenue breakdown in their reports is by region rather than individual country, I averaged the ERPs within each region. Finally, I multiplied each region's ERP by the % of Navigator's sales coming from that region.

Appendix 10: Cost of Equity

Cost of Equity	
Risk-free rate	2.87%
Beta	0.72
ERP	8.62%
Cost of Equity	**9.10%**

Source: Author, Company Data

For the cost of equity calculations, the inputs needed were the risk-free rate, beta, and ERP. The risk-free rate was assumed to be the yield of a 10-year German bond. The beta was obtained through the bottom-up approach (Appendix 8). Finally, the equity risk premium was determined using the average risk premium of each region where Navigator operates, weighted by the proportion of sales in each region, resulting in a cumulative equity risk premium (Appendix 9). Then, through the traditional CAPM, the cost of equity was estimated at 9.10%.

Appendix 11: Cost of Debt

Cost of Debt	
EBIT	385.65
Interest Expenses	31.84
Interest Coverage Ratio	12.11
Bond Rating (Moody's)	AAA
Default Spread	0.45%
Cost of Debt	**3.32%**

Source: Author, Company Data

The cost of debt required different types of calculations. I calculated the interest coverage ratio for 2024; its value gave the bond rating according to Moody´s. The AAA rating indicates a default spread of 0.45%. Then, to estimate the cost of debt, I added the risk-free rate and the default spread, getting a cost of debt of 3.32%.

Appendix 12: WACC

WACC	
E/V	69.65%
D/V	30.35%
Tax Rate	31.50%
Cost of Equity	9.10%
Cost of Debt	3.32%
WACC	**7,03%**

Source: Author, Company Data

After considering the Damodaran sector beta and the bottom-up technique, I used a beta of 0.72. The CAPM yielded a cost of equity of 9.10%, assuming the risk-free rate of a ten-year German bond. The cost of debt was 3.32%, obtained through the interest coverage ratio, which gave me the company´s AAA bond rating according to Moody´s. The WACC was then estimated at 7.03%.

Appendix 13: Revenues Growth Base Case

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	CAGR 2021-2025
													4,44%
UWF Paper	942,0448	1117,109	1725,234	1191,4764	1190,3196	1070,682	1065,3286	1060,0019	1054,7019	1049,4284	1044,181	1038,96	-0,85%
Growth rate		*18,58%*	*54,44%*	*-30,94%*	*-0,10%*	*-10,05%*	*-0,50%*	*-0,50%*	*-0,50%*	*-0,50%*	*-0,50%*	*-0,50%*	
Paper Tissue	138,536	143,6283	197,1696	292,986	459,4216	535,341	562,10803	618,31884	673,96753	727,88493	786,1157	849,005	30,10%
Growth rate		*3,68%*	*37,28%*	*48,60%*	*56,81%*	*16,52%*	*5%*	*10%*	*9%*	*8%*	*8%*	*8%*	
Pulp for Market	152,3896	159,587	197,1696	253,9212	229,7108	178,447	176,66252	174,8959	173,14694	171,41547	169,7013	171,3983	2,26%
Growth rate		*4,72%*	*23,55%*	*28,78%*	*-9,53%*	*-22,32%*	*-1,00%*	*-1,00%*	*-1,00%*	*-1,00%*	*-1,00%*	*1,00%*	
Energy	138,536	127,6696	246,462	175,7916	125,2968	99,13722	101,11996	103,14236	105,20521	107,30931	109,4555	111,6446	-4,93%
Growth rate		*-7,84%*	*93,05%*	*-28,67%*	*-28,72%*	*-20,88%*	*2,0%*	*2,0%*	*2,0%*	*2,0%*	*2,0%*	*2,0%*	
Packaging	13,8536	47,8761	98,5848	39,0648	83,5312	99,13722	104,09408	112,42161	119,1669	126,31692	140,2118	151,4287	15,67%
Growth rate		*245,59%*	*105,92%*	*-60,37%*	*113,83%*	*18,68%*	*5,0%*	*8,0%*	*6,0%*	*6,0%*	*11,0%*	*8,0%*	
Total	**1385,36**	**1595,87**	**2464,62**	**1953,24**	**2088,28**	**1982,74**	**2009,31**	**2068,78**	**2126,19**	**2182,36**	**2249,67**	**2322,44**	

Source: Author, Company Data

The revenues are built bottom-up by segment, given that each of the Navigator's five business lines has fundamentally different demand dynamics.

UWF Paper is forecast to decline at -0.5%/year, reflecting the structural decline in office paper demand driven by digitalisation. This is consistent with the negative historical CAGR.

Tissue is the growth engine, forecasted at 5–10%/year, decelerating from the historically inflated 30% CAGR that was driven by UK capacity acquisitions and a new Tissue machine in 2026. The deceleration to a normalised 8% is prudent in order to avoid extrapolating a clearly exceptional historical period.

Pulp for Market is forecasted at -1%/year, reflecting both the volatility of international pulp prices and the fact that increasing internal consumption for Tissue leaves less surplus for the market.

Energy grows at a stable +2%/year, essentially in line with inflation, after the post-2022 price normalisation.

Packaging is the smallest but fastest-growing segment, with the 2030 spike tied explicitly to the PM3 machine investment. This is the one assumption worth anchoring more precisely to the machine's incremental output capacity before the defence.

The overall revenue CAGR for 2026–2031 is 2.4%.

Appendix 14: CAPEX Calculations

CAPEX	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025E	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E	FY 2031E
CAPEX/Revenue	7,13%	6,53%	5,03%	10,32%	10,73%	7,95%	7,95%	7,95%	7,95%	7,95%	7,95%	7,95%
PM3 Rebuild						*30*						
Tissue Machine							*115*					
Decarbonization Roadmap						*35*	*35*	*35*	*35*			
2030 Investment											*150*	
Total/Revenue						3,28%	7,47%	1,69%	1,65%		6,67%	
Total CAPEX						11,23%	15,42%	9,64%	9,60%	7,95%	14,62%	7,95%

Source: Author, Company Data

In the beginning, the Capex is higher due to it being the peak of the Investment Cycle, and then gradually declines toward a steady state. Once the major investment cycle is completed, the company's assets become newer and more efficient, reducing the level of recurring reinvestment required and allowing capex to normalize at a long-term maintenance level of 8%.

Appendix 15: DCF Model

	2026	2027	2028	2029	2030	2031
EBIT FORECASTS:	301,40	316,52	342,32	353,54	301,46	359,98

	Years					
	2026	2027	2028	2029	2030	2031
EBIT(1-t)	206,46	216,82	234,49	242,18	206,50	246,58
Depreciation and Amortization	166,77	173,78	179,66	187,68	200,22	220,63
CAPEX	309,75	199,48	204,04	173,50	328,86	184,64
Changes in Working Capital	2,74	5,36	5,44	5,07	4,93	7,11
FCFF	60,74	185,77	204,67	251,29	72,93	275,46
Terminal Value						**3668,25**
PV FCFF´S		173,5690555	178,678338	204,9714777	55,58022759	196,1534147

EBIT(1-t)	249,67
Reinvestment Rate	15,12%
Reinvestment	37,75
FCFF	211,91
PV Terminal Value	**2612,12**

g	1,25%
WACC:	7,03%
Invested Capital	2 983,04
ROIC	8,27%
Nº of shares outstanc	711,18

Total Firm Value	3421,08

Cash and cash Equivalents	332,81
Non-Controlling Interest in Equity	0,38
MK Value of Debt	1138,85
Value of Equity	2614,66
Value per Share	**3,68**

Source: Author, Company Data

Appendix 16: Sensitivity Analysis

Price per Share					**Price per Share**						
Δ in % points	-1,00%	-0,75%	-0,50%	-0,25%	0,00%	0,25%	0,50%	0,75%	1,00%		
Growth Rate	**0,25%**	**0,50%**	**0,75%**	**1,00%**	**1,25%**	**1,50%**	**1,75%**	**2,00%**	**2,25%**	**WACC**	Δ in % points
	3,88	4,1	4,2	4,5	4,69	4,9	5,2	5,6	5,92	**6,03%**	-1%
	3,7	3,8	4,0	4,2	4,4	4,6	4,9	5,2	5,5	**6,28%**	-0,75%
	3,5	3,6	3,8	3,9	4,1	4,3	4,6	4,8	5,1	**6,53%**	-1%
	3,3	3,4	3,6	3,7	3,9	4,1	4,3	4,5	4,8	**6,78%**	-0,25%
	3,13	3,3	3,4	3,5	**3,68**	3,8	4,0	4,2	4,45	**7,03%**	0%
	3,0	3,1	3,2	3,3	3,5	3,6	3,8	4,0	4,2	**7,28%**	0,25%
	2,8	2,9	3,0	3,2	3,3	3,4	3,6	3,7	3,9	**7,53%**	1%
	2,7	2,8	2,9	3,0	3,1	3,2	3,4	3,5	3,7	**7,78%**	0,75%
	2,58	2,7	2,8	2,9	2,96	3,1	3,2	3,3	3,48	**8,03%**	1%

Source: Author

Appendix 17: Investors' Recommendations



Source: Author:

Appendix 18: Relative Valuation

Peer Group	UPM	storaenso	H	Klabin	altri
Ticker	UPM.HE	STE-A.ST	HOLM-B.ST	KLBN11	ALTR.LS
Name	UPM-Kymmene Oyj	Stora Enso Oyj	Holmen AB	Klabin SA	ALTRI SGPS
Location	Finland	Finland	Sweden	Brazil	Portugal
Market cap (€)	12280m	7375m	5258m	3566m	1025m
EV/EBITDA	8.44x	8.63x	12.19x	6.04x	6.18x
EV/SALES	13.59x	17.84x	19.97x	12.82x	9.94x
P/E	1.55x	1.19x	2.74x	2.23x	1.32x

Note: Some companies used in the bottom-up approach were excluded from the relative valuation due to significant differences in business operations, location of operations, and market cap, making them not directly comparable to Navigator. Rottneros AB and Ence Energia were excluded due to a lack of data in the databases used, even though I considered them as peers for the relative valuation.

***m stands for millions**

***Values taken from LSEG from 2025**

Relative Valuation Computation

	Peers Average	Navigator EBITDA	Navigator Revenues	Navigator Net Income	Implied Enterprise Value	-Debt	+Cash	Implied Equity MV	Shares	Implied Share Price
EV/EBITDA	8.30x	468m	n.a.	n.a.	3884m	1914m	332m	2255m	711m	€3.24
EV/Sales	1.81x	n.a.	2009m	n.a.	3628m	1914m	332m	1999m	711m	€2.88
P/E	14.83x	n.a.	n.a.	197m	2928m	n.a.	n.a.	2928m	711m	€4.12
Average Implied Share Price										€3.41

Source: Author: LSEG Workspace

Appendix 19: DDM

	Historical					Forecast							
€	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Aver.	FY 2025E	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E	FY 2031E
Dividend per share	0,2103	0,3515	0,2812	0,2109	0,2461		0,209	0,194	0,206	0,227	0,236	0,192	0,238
%growth	-	67%	-20%	-25%	17%	9,70%	-15%	-6,99%	6,09%	10,12%	3,89%	-18,58%	23,73%
Number of shares (Millions)	711,18	711,18	711,18	711,18	711,18	-	711,18	711,18	711,18	711,18	711,18	711,18	711,18
Net Income	109,22	171,42	392,53	274,95	286,99	-	212,26	197,42	209,45	230,65	239,63	195,10	241,39
Payout ratio	136,94%	145,83%	50,95%	54,55%	60,97%	55,49%	70,00%	70,00%	70,00%	70,00%	70,00%	70,00%	70,00%
Regular Dividends	149,56	249,98	199,98	149,99	174,99		148,58	138,19	146,62	161,45	167,74	136,57	168,97
Excess cash									377,87	295,50	287,82		
% of Excess Cash as Dividends									94,47	73,87	43,17		
Total Dividends	149,56	249,98	199,98	149,99	174,99		148,58	138,19	241,08	235,33	210,91	136,57	168,97
Total Dividend per Share	0,2103	0,3515	0,2812	0,2109	0,2461		0,2089	0,1943	0,3390	0,3309	0,2966	0,1920	0,2376
												Terminal Value	3,36
							PV of all Dividends		0,31	0,28	0,23	0,14	2,33
Payout ratio assumed	70%												
g assumed in perpetuity	1,9%						Dividend Value (per share)	3,28					

Source: Author, Company Data

Appendix 20: Revenues Bear Case

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
UWF Paper	942,0448	1117,109	1725,234	1191,4764	1190,3196	1070,682	1049,2683	1028,283	1007,7173	987,56296	967,8117	948,4555
Growth rate		*18,58%*	*54,44%*	*-30,94%*	*-0,10%*	*-10,05%*	*-2,00%*	*-2,00%*	*-2,00%*	*-2,00%*	*-2,00%*	*-2,00%*
Paper Tissue	138,536	143,6283	197,1696	292,986	459,4216	535,341	551,40121	578,97127	596,34041	614,23062	632,6575	645,3107
Growth rate		*3,68%*	*37,28%*	*48,60%*	*56,81%*	*16,52%*	3%	5%	3%	3%	3%	2%
Pulp for Market	152,3896	159,587	197,1696	253,9212	229,7108	178,447	174,87805	171,38049	167,95288	164,59383	161,3019	158,0759
Growth rate		*4,72%*	*23,55%*	*28,78%*	*-9,53%*	*-22,32%*	*-2,00%*	*-2,00%*	*-2,00%*	*-2,00%*	*-2,00%*	*-2,00%*
Energy	138,536	127,6696	246,462	175,7916	125,2968	99,13722	98,145847	97,164389	96,192745	95,230817	94,27851	93,33572
Growth rate		*-7,84%*	*93,05%*	*-28,67%*	*-28,72%*	*-20,88%*	-1,0%	-1,0%	-1,0%	-1,0%	-1,0%	-1,0%
Packaging	13,8536	47,8761	98,5848	39,0648	83,5312	99,13722	101,11996	104,15356	106,23663	108,36137	113,7794	116,055
Growth rate		*245,59%*	*105,92%*	*-60,37%*	*113,83%*	*18,68%*	2,0%	3,0%	2,0%	2,0%	5,0%	2,0%
Total	**1385,36**	**1595,87**	**2464,62**	**1953,24**	**2088,28**	**1982,74**	**1974,81**	**1979,95**	**1974,44**	**1969,98**	**1969,83**	**1961,23**

Source: Author

Appendix 21: Revenues Bull Case

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
UWF Paper	942,0448	1117,109	1725,234	1191,4764	1190,3196	1070,682	1076,0354	1081,4156	1086,8226	1092,2567	1097,718	1103,207
Growth rate		*18,58%*	*54,44%*	*-30,94%*	*-0,10%*	*-10,05%*	*0,50%*	*0,50%*	*0,50%*	*0,50%*	*0,50%*	*0,50%*
Paper Tissue	138,536	143,6283	197,1696	292,986	459,4216	535,341	578,16826	653,33014	712,12985	776,22154	846,0815	922,2288
Growth rate		*3,68%*	*37,28%*	*48,60%*	*56,81%*	*16,52%*	8%	13%	9%	9%	9%	9%
Pulp for Market	152,3896	159,587	197,1696	253,9212	229,7108	178,447	179,33923	180,23593	181,13711	182,04279	182,953	183,8678
Growth rate		*4,72%*	*23,55%*	*28,78%*	*-9,53%*	*-22,32%*	0,50%	0,50%	0,50%	0,50%	0,50%	0,50%
Energy	138,536	127,6696	246,462	175,7916	125,2968	99,13722	101,61565	104,15604	106,75994	109,42894	112,1647	114,9688
Growth rate		*-7,84%*	*93,05%*	*-28,67%*	*-28,72%*	*-20,88%*	2,5%	2,5%	2,5%	2,5%	2,5%	2,5%
Packaging	13,8536	47,8761	98,5848	39,0648	83,5312	99,13722	105,08545	117,69571	127,11136	137,28027	157,8723	172,0808
Growth rate		*245,59%*	*105,92%*	*-60,37%*	*113,83%*	*18,68%*	6,0%	12,0%	8,0%	8,0%	15,0%	9,0%
Total	**1385,36**	**1595,87**	**2464,62**	**1953,24**	**2088,28**	**1982,74**	**2040,24**	**2136,83**	**2213,96**	**2297,23**	**2396,79**	**2496,35**

Source: Author

Appendix 22: Investment Risk by Segment

Tissue: Although tissue benefits from fundamental demand drivers and a defensive consumption profile, it is still subject to economic cycles, energy and logistical costs, as well as pulp price volatility. While financial strength reduces solvency risk, higher capex requirements increase the company´s vulnerability to funding conditions. The segment is in a clear tendency of expansion, so operational execution is the main risk associated. Thus, ramp-ups and industrial integration can affect costs and output. In general, operational risk is likely to have a high impact, while market and financial risks are more prone to a moderate impact.

UWF Paper: Due to its exposure to a reduction in demand caused by digitalization and shifts in consumer behaviour, the UWF segment is categorized as having a very high market risk, with a "Very Likely" "High" impact. Furthermore, this trend is long-term and largely independent of management actions, making it almost certain. Financial risk is assessed as "Likely" with "Moderate" impact, reflecting ongoing pressure on revenues and margins, although partially mitigated by its mature asset base, relatively low incremental capital requirements, and continued cash generation. Because UWF operations are developed and technologically robust, the Operational Risk is graded as "Unlikely with Low impact". Overall, while operationally stable, UWF remains the most exposed segment in strategic terms, due to its structurally weakening demand outlook.

Packaging: It benefits from ESG-driven substitution of plastics by fibre-based solutions but operates in a competitive and cyclical market. So, market risk is rated as "Likely" with "Moderate" impact. For Financial Risk, it gets the same "grades" as the market risk, given the capital-intensive nature of recent planned investments, which increases exposure to financing conditions. Operational risk is also the same in terms of probability, but it has a high impact, reflected by the challenges associated with scaling production, optimizing capacity, and integrating new assets. These factors can temporarily weigh on efficiency and profitability even though they do not compromise the segment's long-term growth potential, Overall packaging is a moderate-to-high profile.

Appendix 23: Balance Sheet

STANDARDIZED BALANCE SHEET (in millions EUROS)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Cash and Cash Equivalents	302,40	239,17	343,08	169,46	286,63	359,86	332,81	259,06	218,03	266,77	121,81	270,47
Trade Receivables	203,34	288,76	436,34	378,02	437,43	354,96	359,72	370,36	380,64	390,70	402,75	415,77
Inventories	176,74	186,55	298,73	286,49	303,20	265,94	265,74	273,61	278,36	285,71	306,54	310,26
Other Current Assets	31,91	30,24	79,02	65,11	79,88	57,75	58,52	60,26	61,93	63,56	65,52	67,64
Total Current Assets	714,39	744,72	1 157,17	899,08	1 107,14	1 038,51	1 016,79	963,28	938,96	1 006,74	896,63	1 064,14
Non-Current Tangible Assets	1 384,36	1 343,10	1 279,68	1 413,77	1 629,84	1688,90	1831,87	1857,57	1881,95	1867,77	1996,40	1960,42
Non-Current Intagible Assets	389,25	402,75	422,60	427,79	542,24	471,75	473,41	475,95	478,49	481,06	633,98	637,13
∟ Goodwill	377,34	377,34	377,34	381,50	422,63	422,63	422,63	422,63	422,63	422,63	572,63	572,63
∟ Intangible Assets - excluding Goodwill	11,91	25,41	45,26	46,29	119,61	49,12	50,78	53,32	55,86	58,43	61,35	64,50
Other Non-Operating Investments	0,09	0,09	0,09	0,46	0,36	0,36	0,36	0,36	0,36	0,36	0,36	0,36
Other Non-Current Assets	65,33	36,64	52,48	68,05	73,60	77,10	73,85	64,96	74,06	87,32	57,05	72,99
Total Non-Current Assets	1 839,03	1 782,58	1 754,85	1 910,07	2 246,04	2 238,10	2 379,49	2 398,84	2 434,86	2 436,50	2 687,80	2 670,89
Total Assets	2 553,42	2 527,30	2 912,02	2 809,15	3 353,18	3 276,61	3 396,28	3 362,12	3 373,82	3 443,25	3 584,42	3 735,04
Balance Sheet - Equity and Liabilities												
Trade Accounts Payable	168,34	256,77	368,31	297,48	297,48	291,09	290,87	299,48	304,68	312,73	335,54	339,60
Accrued Expenses	93,75	91,11	142,51	124,27	69,47	110,83	112,31	115,63	118,84	121,98	125,74	129,81
Derivative Liabilities	6,20	8,13	4,68	5,69	6,31	6,31	6,31	6,31	6,31	6,31	6,31	6,31
Income Taxes - Payable	35,91	39,88	125,47	22,83	41,34	37,12	34,53	36,63	40,34	41,91	34,12	42,22
Current Debt	297,14	468,17	88,85	106,41	190,86	212,97	221,85	217,11	216,41	220,72	229,50	240,37
Other Current Liabilities	35,37	37,15	197,42	75,60	285,30	98,53	99,85	102,80	105,66	108,45	111,79	115,41
Total Current Liabilities	636,71	901,21	927,24	632,28	890,76	756,84	765,73	777,97	792,25	812,10	843,01	873,72
Non-Current Debt	738,35	762,04	698,10	622,93	824,86	880,27	917,00	897,39	894,50	912,32	948,61	993,52
Deferred Tax Liabilities	85,96	92,53	98,31	95,86	135,94	121,27	131,54	133,38	135,13	134,11	143,35	140,77
Other Non-Current Liabilities	66,21	69,44	66,12	142,51	145,53	98,45	99,77	102,72	105,58	108,36	111,71	115,32
Total Non-Current Liabilities	890,52	332,81	862,53	861,30	1 106,33	1 100,0	1 148,3	1 133,5	1 135,2	1 154,8	1 203,7	1 249,6
Non-Controlling Interest in Equity	0,28	0,29	0,30	0,33	0,36	0,38	0,39	0,41	0,42	0,44	0,46	0,47
Ordinary Shareholders' Equity	1 025,93	1 044,83	1 259,41	1 315,25	1 355,73	1 419,41	1 478,63	1 447,00	1 442,32	1 471,04	1 529,57	1 601,98
Total Shareholders Equity	1 026,21	1 045,12	1 259,71	1 315,58	1 356,09	1 419,8	1 479,0	1 447,4	1 442,7	1 471,5	1 530,0	1 602,5
Total Liabilities and Shareholders' Equity	2 553,44	2 527,31	2 912,03	2 809,16	3 353,18	3 276,61	3 393,05	3 358,88	3 370,20	3 438,37	3 576,70	3 725,78

Source: Author, LSEG Workspace

Appendix 24: Income Statement

STANDARDIZED INCOME STATEMENT (in millions EUROS)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	1 385,4	1 595,9	2 464,6	1 953,2	2 088,3	1982,74	2009,31	2068,78	2126,19	2182,36	2249,67	2322,44
COGS	-745,0	-750,2	-1 049,6	-1 008,4	-1 044,1	-995,3	-994,6	-1 024,05	-1 041,8	-1 069,4	-1 147,3	-1 161,2
Gross Profit	640,32	845,69	1 414,98	944,81	1 044,21	987,41	1 014,70	1 044,73	1 084,36	1 113,00	1 102,34	1 161,22
SG&A	-162,1	-180,0	-215,5	-196,8	-231,7	-210,2	-211,0	-215,2	-221,1	-224,8	-238,5	-243,9
Other Operating Expense/(Income) - Net	-353,7	-435,2	-589,1	-371,6	-426,9	-460,7	-502,3	-513,1	-520,9	-534,7	-562,4	-557,4
Operating Profit (EBIT)	124,55	230,48	610,34	376,48	385,65	316,57	301,40	316,52	342,32	353,54	301,46	359,98
Financing Income/Expense - Net - Total	-14,48	-14,19	-55,48	-29,23	-37,17	-47,74	-51,38	-51,25	-50,15	-49,99	-54,39	-54,19
Sale of Tangible & Intangible Fixed Assets - Gain/(Loss)	0	2,13	0,37	0,62	0,18	0,39	0,39	0,39	0,39	0,39	0,39	0,39
Non-Recurring Income Expense	15,67	-6,62	-38,76	-0,83	4,38	0,00	0	0	0	0	0	0
Profit before tax (EBT)	125,74	211,80	516,47	347,04	353,04	269,22	250,41	265,67	292,55	303,94	247,46	306,17
Income Taxes	16,52	40,38	123,94	72,09	66,05	56,97	52,99	56,21	61,90	64,31	52,36	64,79
Profit after taxes (Net Income)	109,22	171,42	392,53	274,95	286,99	212,26	197,42	209,45	230,65	239,63	195,10	241,39
Minority Interest	0,00	0,01	0,00	0,03	0,04	0,02	0,02	0,02	0,02	0,02	0,02	0,02
Income Available to Common Shareholders	109,22	171,41	392,53	274,92	286,95	212,24	197,40	209,44	230,63	239,61	195,08	241,37
Depreciation and Amortization	152,5	126,1	164,7	139,9	164,8	163,58	166,77	173,78	179,66	187,68	200,22	220,63
EBITDA	277,02	356,58	775,01	516,39	550,40	480,15	468,17	490,30	521,98	541,22	501,68	580,61

Source: Author, LSEG Workspace

Appendix 25: Cash Flow Statement

STANDARDIZED CASH FLOW STATEMENT (in millions EUROS)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Cash Receipts/Payments - Net	337,55	374,4	690,52	532,07	472,59	475,86	482,24	496,51	510,29	523,77	539,92	557,38
Income Taxes - Paid/(Reimbursed) - Cash Flow - Direct	-19,42	20,65	64,77	162,92	61,09	61,19	55,58	54,11	58,20	62,74	60,15	56,69
Interest Paid - Cash - Direct	20,91	14,16	33,82	4,86	18,93	47,74	51,38	51,25	50,15	49,99	54,39	54,19
Interest & Dividends - Received - Total - Cash Flow - Direct	5,26	5,31	0,85	0	0	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Net Cash Flow from Operating Activities	341,32	344,9	592,78	364,29	392,57	366,93	375,27	391,15	401,94	411,03	425,38	446,50
Capital Expenditures - Net - Cash Flow	97,68	101,19	123,01	200,93	223,73	222,63	309,75	199,48	204,04	173,50	328,86	184,64
Acquisition & Disposals of Business - Assets - Sold/(Acquired) - N	0	3,07	0	-55,21	-150,78	0,00	0,00	0,00	0,00	0,00	-150,00	0,00
Net Cash Flow from Investing Activities	-97,68	-98,12	-123,01	-256,14	-374,51	-222,63	-309,75	-199,48	-204,04	-173,50	-478,86	-184,64
Dividends Paid - Cash - Total - Cash Flow	198,28	149,56	131,63	199,98	150	148,58	138,19	146,62	161,45	167,74	136,57	168,97
Debt - Long-Term & Short-Term - Issuance/(Retirement) - Total - Ca	98,02	-152,99	-111,91	-102,97	211,96	77,51	45,62	- 24,34	- 3,59	22,12	45,08	55,77
Other Financing Cash Flow - Increase/(Decrease)	-1,37	-4,47	-123,9	20,31	36,73	0	0	0	0	0	0	0
Net Cash Flow from Financing Activities	-101,63	-307,02	-367,44	-282,64	98,69	-71,07	-92,58	-170,96	-165,05	-145,62	-91,49	-113,20
Foreign Exchange Effects - Cash Flow	-1,48	0,09	1,56	0,89	0,42	0	0	0	0	0	0	0
Net Change in Cash without Speacil Dividends	140,53	-60,15	103,89	-173,6	117,17	73,23	-27,05	20,71	32,85	91,91	-144,96	148,66
Special Dividends						0,00	0,00	94,47	73,87	43,17	0,00	0,00
Net Change in Cash - Total	140,53	-60,15	103,89	-173,60	117,17	73,23	-27,05	-73,75	-41,02	48,74	-144,96	148,66
Net Cash - Beginning Balance	161,88	302,4	239,17	343,08	169,46	286,63	359,86	332,81	259,06	218,03	266,77	121,81
Net Cash - Ending Balance	302,41	242,25	343,06	169,48	286,63	359,86	332,81	259,06	218,03	266,77	121,81	270,47

Source: Author, LSEG Workspace