

Close coverage of UFS with shares trading roughly in-line with Paper Excellence's \$55.50 per share cash offer

- ✓ With the shares trading roughly in-line with Paper Excellence's \$55.50 per share cash offer price and the deal, in our view, likely to close as announced we will close coverage of Domtar Corp. (UFS), as of today's close.
- ✓ For context, UFS shares returned ~113% since our re-initiation in September 2020 (compared with a 29.5% increase in the S&P 500 and a 57% increase in the Russell 2000). [Note: Recall, we had previously recommended UFS from March 2017 until it reached our fair value estimate in January 2018 during which time the shares returned ~39.5% versus roughly 10% gains in both the S&P and Russell.]

UPDATE

Domtar Corporation

(NYSE: UFS)

Date (6/4/2021)

Price \$55.40/share

Market capitalization: ~\$2.8B

Pulp & Paper: *To be Acquired by Paper Excellence for \$55.50 per share*

Personal Care: *Sold for \$920M to AIP in March 2021*

(See the report dated 9/23/20 and updates from 11/26/2020, 1/8/2021, 5/4/2021 and 5/11/2021 for more info.)

NOTE: This publication could be considered as advocating for corporate restructurings. Authors select companies for this report based on the potential for a future value-unlocking transaction. In many cases, these companies have or could come under activist investor pressure, media scrutiny, or general market speculation that a spin-off or asset sale is possible.



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