

New Opportunities Emerge in Pulp Market

BHKP Futures at US\$550/t for Jan'26

Last week, we hosted an event with Suzano's Global Pulp Sales VP, highlighting opportunities to supply hardwood for high-cost players to accelerate fiber-to-fiber substitution, while we noted optimism on price hikes, with Chinese mills operating below cost at current pulp price levels, and expectations of slower vertical integration in China easing medium-term pulp price pressure. **Regarding recent data on the sector**, we note: (i) European consumer stocks for hardwood increased by +3% MoM (+24% YoY) in Sep'25, totaling ~479 kt, and European consumer stocks of softwood increased by +3% MoM (-1% YoY), totaling ~200 kt, in Sep'25, according to latest UTIPULP data; and (ii) China net BHKP prices are currently at US\$523/t, with BHKP futures at US\$550/t for Jan'26. **Finally**, (iii) Klabin signed a MoU with an institutional investor for a new SPV, with a contribution of 15 kha of productive land by Klabin and an investor contribution of R\$300 million in cash.

For a complete overview of global pulp & paper indicators, please refer to our [Global Pulp & Paper Report for Sep'25](#).

Last week, we hosted an event with Leonardo Grimaldi, Suzano's Global Pulp Sales VP ([see our full comments here](#)) to discuss the company's strategy and the outlook for market pulp. **We highlighted:** (i) Mr. Grimaldi indicated several opportunities in the pulp market, such as supplying hardwood for high-cost integrated players (especially in Europe/North America) to accelerate fiber-to-fiber substitution, (ii) the company remains optimistic about the implementation of recently announced price hikes, as several Chinese pulp producers are operating below costs at current pulp prices (mainly older mills); and (iii) vertical integration in China is expected to moderate in the upcoming years, with structurally limited wood supply growth easing medium-term pressures on pulp prices.

Klabin signed a MoU with an institutional investor for a new SPV ([see here](#)). Estimated to be closed by the end of 2025E and focused on real estate development in Paraná state, the Special Purpose Vehicle (SPV) will include Klabin's contribution of 15 thousand hectares of productive land and an institutional investor (undisclosed) contribution of R\$300 million in cash.

Regarding recent UTIPULP data, European consumer stocks for hardwood increased by +3% MoM (+24% YoY) in Sep'25, totaling ~479 kt, and European consumer stocks of softwood increased by +3% MoM (-1% YoY), totaling ~200 kt during the same period.

Pulp prices this week: China (net) prices of US\$523/t and US\$681/t for BHKP and NBSK, respectively. Europe (gross) prices of US\$1,051/t and US\$1,496/t for BHKP and NSBK, respectively. Chinese BHKP futures currently at US\$550/t for Jan'26 (down -US\$20/t MoM) and above spot BHKP prices of US\$523/t in China.

Lucas Laghi

Metals & Mining, Pulp & Paper
Capital Goods
lucas.laghi@xpi.com.br

Guilherme Nippes

Metals & Mining and Pulp & Paper
guilherme.nippes@xpi.com.br

Fernanda Urbano

Capital Goods
fernanda.urbano@xpi.com.br

Company	Ticker	Current Price	Target Price	Upside	Rec.	EBITDA (million)		P/E		EV/EBITDA		Mkt. Cap (R\$ mn)
						2025E	2026E	2025E	2026E	2025E	2026E	
Suzano	SUZB3	R\$ 48.22	R\$ 92.00	91%	Buy	R\$ 29,978	R\$ 32,323	4.7x	4.1x	5.0x	4.7x	R\$ 60,020
Klabin	KLBN11	R\$ 17.61	R\$ 29.00	65%	Buy	R\$ 8,776	R\$ 9,622	17.0x	12.8x	6.6x	6.1x	R\$ 21,473
Irani	RANI3	R\$ 8.27	R\$ 8.80	6%	Buy	R\$ 573	R\$ 637	11.6x	9.4x	5.3x	4.6x	R\$ 1,911

Summary

Sector Outlook

[03. Pulp & Paper – Prices Summary](#)

[04. Pulp Prices – Short Term Overview](#)

[05. Technical Indicators and Calendar](#)

[06. Comp Sheet](#)

[07. Stock Performance](#)

Valuation

[08. Valuation Overview](#)

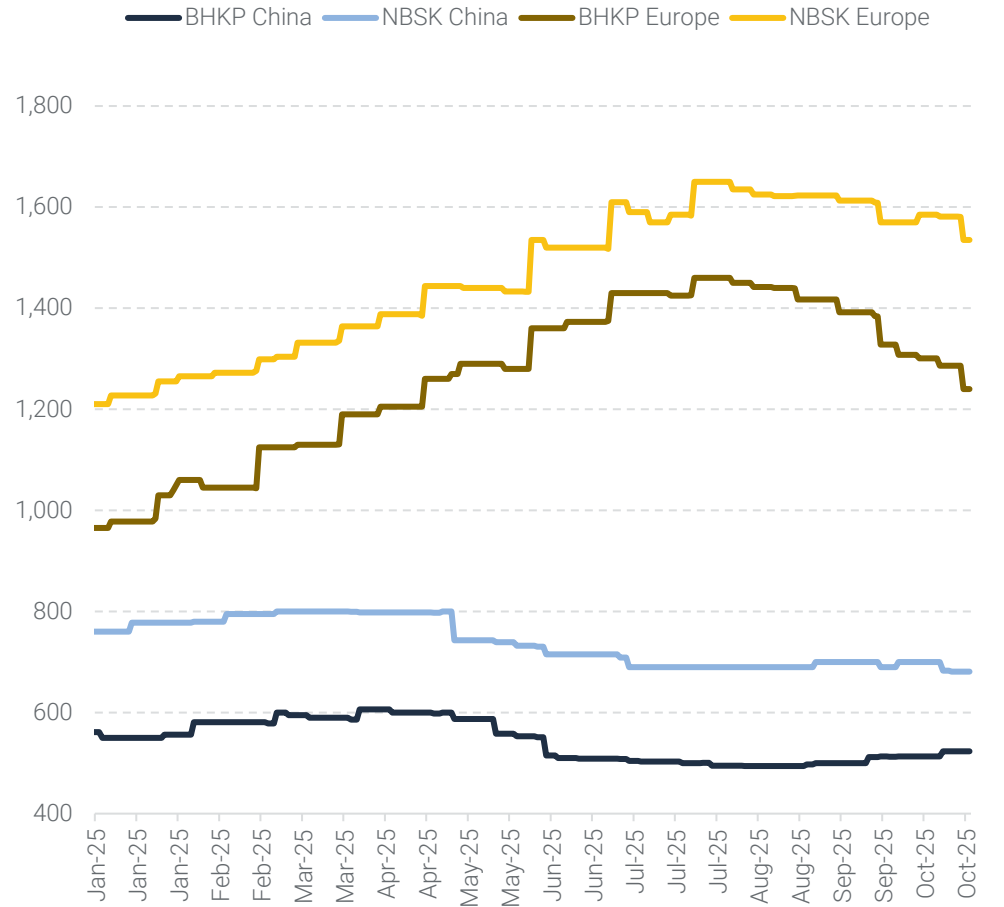
[09. Latest Reports](#)

Pulp & Paper – Prices Summary

Pulp Prices at a Glance

Figures 1-2: Summarized Pulp Prices

Summary	Unit	Current Data	w/w value	%	m/m value	%	y/y value	%
Macro								
BRL/USD	BRL	5.38	5.45	-1.1%	5.28	1.9%	5.69	-5.3%
EUR/USD	EUR	1.16	1.17	-0.7%	1.18	-1.7%	1.08	7.7%
USD/CNY	CNY	7.12	7.12	-0.0%	7.11	0.2%	7.13	-0.0%
Ibovespa	Index	145,705	142,200	2.5%	146,425	-0.5%	129,233	12.7%
Brent	USD/bbl	65	63	2.6%	69	-5.5%	76	-14.4%
Commodities Prices								
China								
Net NBSK Prices	USD/t	681	683	-0.3%	690	-1.3%	761	-10.5%
Net BEKP Prices	USD/t	523	523	0.0%	513	1.9%	561	-6.8%
Spread NSBK - BEKP Prices	USD/t	158	160	-1.3%	177	-10.7%	200	-21.0%
Europe								
Net NBSK Prices	USD/t	1,496	1,496	0.0%	1,496	0.0%	1,545	-3.2%
Net BEKP Prices	USD/t	1,051	1,051	0.0%	1,000	5.1%	1,190	-11.7%
Spread NSBK - BEKP Prices	USD/t	445	445	0.0%	496	-10.3%	355	25.4%



Pulp Prices – Short Term Overview

October 23, 2025
Pulp & Paper

BHKP Prices at US\$523/t; Jan'26 Futures at ~US\$550/t

Figure 3: Nominal China Prices (USD/t)

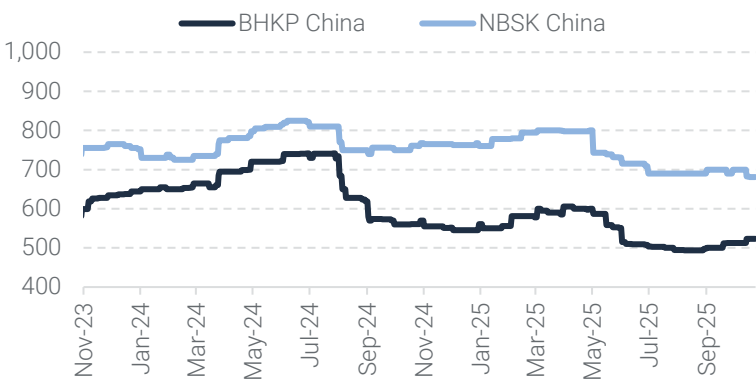


Figure 4: NBSK-BHKP China Spread (USD/t, %)

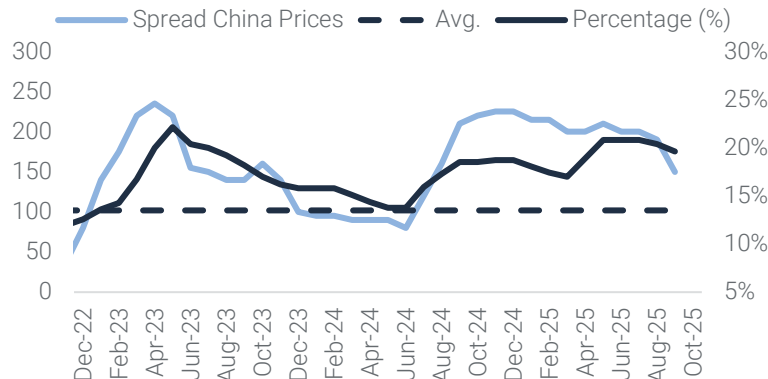


Figure 5: Forward BHKP China Prices (USD/t)

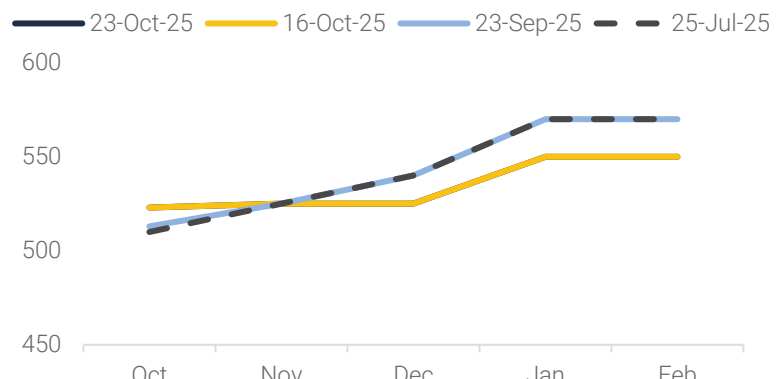


Figure 6: Nominal Europe Prices (USD/t)

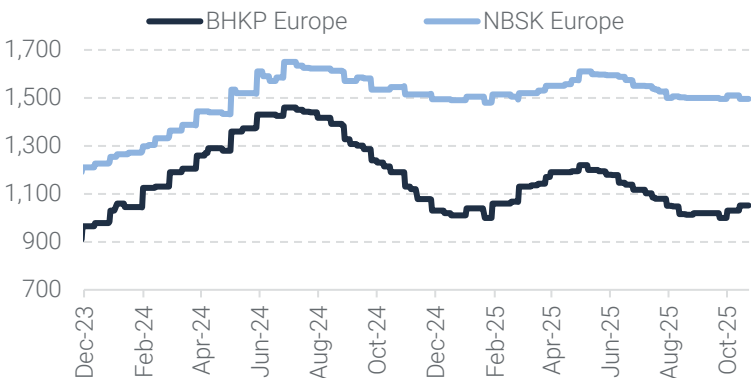


Figure 7: NBSK-BHKP Europe Spread (USD/t, %)

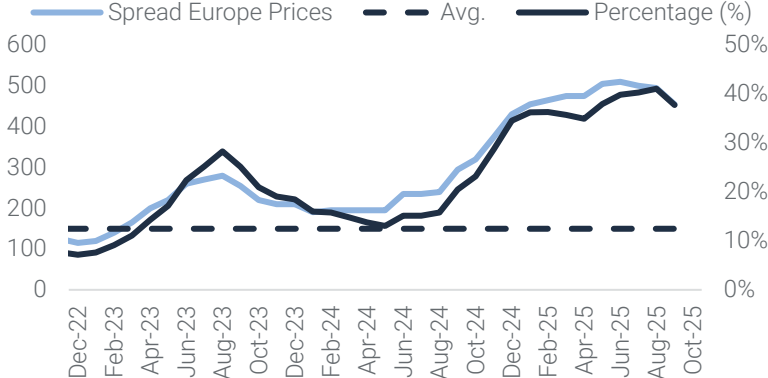
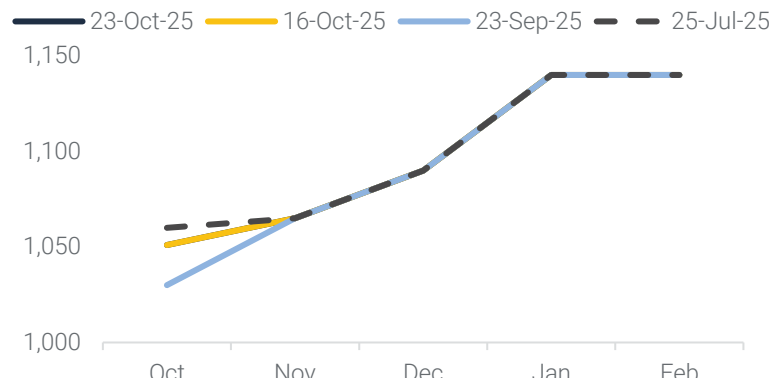


Figure 8: Forward BHKP Europe Prices (USD/t)



Technical Indicators and Calendar

Klabin's Short Interest Increased +1 p.p WoW

Figure 9: Factor Scores – More details in our quant team report [here](#)

Company	Value	Quality	Momentum	Low Risk
Suzano	56	41	37	82
Klabin	65	34	39	97
Irani	75	60	89	60

Figure 11: Liquidity Evolution

Company	ADTV 6m	ADTV 30d	ADTV 1w	Δ ADTV (1w/6m)
Suzano	267	254	141	-47%
Klabin	91	98	77	-15%
Irani	5	7	4	-20%

Figure 13: Pulp and Paper Indicators & Events Calendar

20-Oct-25	21-Oct-25	22-Oct-25	23-Oct-25	24-Oct-25
Monday	Tuesday	Wednesday	Thursday	Friday

27-Oct-25	28-Oct-25	29-Oct-25	30-Oct-25	31-Oct-25
Monday	Tuesday	Wednesday	Thursday	Friday

Data Release: Europe Port Inventory

Earnings Release: 3Q25: Irani

Figure 10: Short Interest Indicators – More details in our quant team report [here](#)

Company	Short Interest (R\$m)	Short Interest (%)	Days to Cover	Lending Rate
Suzano	2,185	6.9%	8.4	0.1%
Klabin	913	6.5%	11.6	0.1%
Irani	23	2.6%	3.9	0.1%

Figure 12: Consensus Earnings Revision Trend (R\$ million)

Company	EBITDA '25 (-12M)	EBITDA '25 (-6M)	EBITDA '25 (D0)	EBITDA Trend
Suzano	24,054	27,284	22,755	
Klabin	8,029	8,363	7,927	
Irani	559	575	553	

Consensus Comps Sheet

Figure 14: Comp Sheet

Companies	Current Price	Rating	Market Cap (\$ mi)	ADTV (\$ mi)	P/E		EV/EBITDA		Dividend Yield	
					2025	2026	2025	2026	2025	2026
Market Pulp Players					10.4x	7.1x	6.1x	5.4x	4.1%	8.1%
Suzano	48.22	Buy	11,140	47.2	4.7x	4.1x	5.0x	4.7x	5.4%	12.9%
CMPC	1,300.80	N.C.	3,376	5.5	16.1x	10.0x	7.2x	6.2x	2.8%	3.2%
Dexco	5.24	N.C.	804	2.8	23.0x	26.1x	6.4x	5.8x	1.8%	2.6%
Integrated Pulp Players					17.1x	12.8x	9.8x	7.8x	4.2%	4.3%
Klabin	17.61	Buy	3,986	18.3	17.0x	12.8x	6.6x	6.1x	8.6%	9.4%
Irani	8.27	Buy	355	1.2	11.6x	9.4x	5.3x	4.6x	4.2%	4.3%
Kimberly Clark	120.21	N.C.	39,830	262.3	17.1x	16.5x	13.0x	12.6x	4.2%	4.3%
International Paper	47.95	N.C.	25,174	173.9	31.9x	16.1x	10.0x	8.1x	3.8%	3.9%
UPM-Kymmene	22.60	N.C.	13,827	27.1	17.3x	11.8x	10.7x	8.3x	6.4%	6.8%
Copec	6,560.00	N.C.	9,035	5.8	11.2x	10.7x	6.4x	6.2x	3.2%	3.2%
Stora Enso	8.86	N.C.	8,098	16.1	22.6x	13.9x	9.8x	7.8x	2.6%	3.5%
Metsa Board	2.66	N.C.	1,143	2.2	n.a.	28.0x	35.9x	8.5x	2.8%	4.5%
Sappi	2,238.00	N.C.	749	5.4	11.4x	5.3x	5.4x	4.3x	8.5%	10.1%
Paper & Packaging Companies					13.8x	11.2x	10.1x	8.0x	3.3%	3.3%
Smurfit Kappa	n.a.	N.C.	22,196	107.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Packaging of America	208.74	N.C.	18,727	123.0	20.4x	17.2x	10.7x	9.1x	2.4%	2.4%
Oji	814.00	N.C.	5,350	21.5	13.8x	14.7x	10.7x	10.9x	2.7%	4.1%
Graphic Packaging	17.82	N.C.	5,199	61.4	8.5x	8.3x	7.4x	7.0x	2.4%	2.5%
Mondi	834.60	N.C.	4,837	26.3	13.5x	11.2x	6.9x	6.3x	6.3%	6.7%
Nine Dragons	5.52	N.C.	3,345	9.0	16.0x	9.6x	11.6x	9.3x	0.3%	1.7%
BillerudKorsnäs	84.90	N.C.	2,260	3.7	32.3x	14.5x	6.8x	5.3x	3.9%	5.3%
Lee & Man	2.84	N.C.	1,581	1.7	7.7x	7.3x	9.5x	9.1x	4.8%	5.0%
Mercer	2.40	N.C.	164	1.3	n.a.	n.a.	18.8x	6.9x	7.2%	0.0%

Stock Performance – USD Returns %

Figure 15: Pulp & Paper Stock Performance

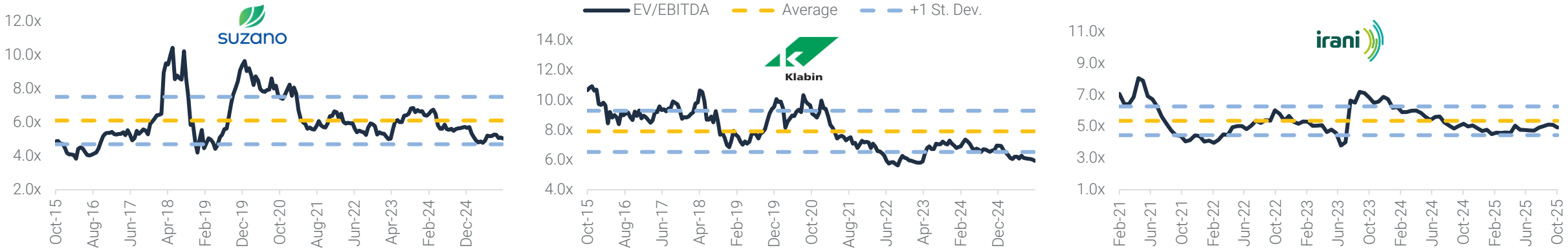
Companies	Current Price	Market Cap (\$ mi)	Last Week	Last 30 Days	2025 (YTD)	Sep-25	Aug-25	Jul-25	Jun-25	2024
Ibov Index	144,085	-	2%	-1%	20%	3%	6%	-2%	0%	-10%
BRL/USD	5	-	-1%	1%	-13%	-2%	-3%	3%	-5%	27%
BHKP China	523	-	0%	2%	-7%	3%	1%	-3%	-8%	-13%
NBSK China	681	-	0%	-3%	-10%	1%	0%	-3%	-3%	1%
BHKP Europe	1,051	-	0%	3%	4%	-2%	-3%	-6%	-5%	-2%
NBSK Europe	1,496	-	0%	0%	0%	0%	0%	-3%	-3%	19%
Market Pulp Players										
Suzano	8.81	11,140	1%	-7%	-12%	-3%	4%	-1%	9%	-10%
CMPC	1.35	3,376	0%	-11%	-13%	-6%	11%	-8%	-4%	-14%
Dexco	0.98	804	6%	-13%	2%	3%	5%	-3%	8%	-41%
Integrated Pulp Players										
Klabin	3.21	3,986	0%	-6%	-12%	-1%	4%	-2%	6%	-4%
Irani	1.54	355	-6%	0%	53%	6%	12%	0%	3%	-48%
Kimberly Clark	120.05	39,830	0%	-3%	-8%	-4%	4%	-3%	-10%	8%
International Paper	47.68	25,174	2%	3%	-11%	-7%	6%	0%	-2%	49%
UPM-Kymmene	26.11	13,827	1%	-5%	-6%	-4%	9%	-5%	-1%	-26%
Copec	6.95	9,035	-1%	-8%	16%	-2%	12%	-3%	-1%	-13%
Stora Enso	10.16	8,098	-1%	-10%	0%	-6%	13%	-5%	8%	-27%
Metsa Board	3.02	1,143	-3%	-17%	-32%	-4%	-1%	0%	0%	-44%
Sappi	1.24	749	-8%	-6%	-53%	-19%	9%	-10%	-13%	8%
Paper & Packaging Companies										
Smurfit Kappa	44.52	22,196	0%	0%	0%	0%	0%	0%	0%	12%
Packaging of America	208.13	18,727	-1%	-2%	-8%	0%	12%	3%	-2%	38%
Oji	5.27	5,350	2%	-6%	37%	-1%	13%	-3%	6%	0%
Graphic Packaging	17.55	5,199	2%	-10%	-35%	-12%	0%	6%	-5%	10%
Mondi	10.96	4,837	-3%	-19%	-27%	-2%	4%	-17%	1%	-24%
Nine Dragons	0.71	3,345	3%	-8%	76%	-3%	32%	34%	4%	-18%
BillerudKorsnäs	9.06	2,260	4%	0%	-2%	-6%	12%	-18%	-5%	-10%
Lee & Man	0.37	1,581	-2%	0%	19%	-4%	14%	15%	5%	6%
Mercer	2.45	164	-6%	-13%	-62%	-14%	-10%	6%	-2%	-31%

Valuation Overview – EV/EBITDA Fwd and EBITDA 2025-26E

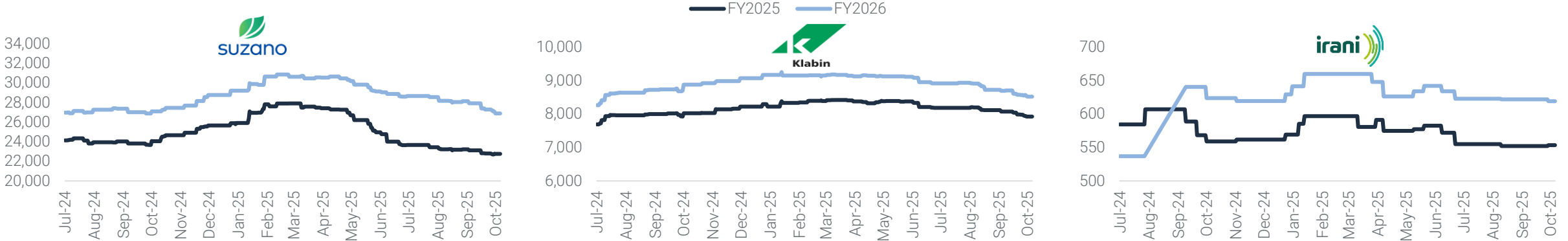
October 23, 2025
Pulp & Paper

We See Suzano Trading at a Discount vs. Historical Average

Figures 16-18: EV/EBITDA Fwd Multiples for Suzano, Klabin and Irani (x)



Figures 19-21: EBITDA 2025-26E for Suzano, Klabin and Irani (R\$ Million)



Latest Reports

Weekly Rewinds

[Pulp Prices Continued the Uptrend in Sep'25](#)

[Suzano Announced a New Pulp Price Hike in Asia, Europe and North America for Sep'25](#)

[Corrugated Boxes Volumes +1% YoY in Jul'25; BHKP Futures at US\\$500/t for Sep'25](#)

[Pulp Price Hike Announced Amid Unclear Market Trends in China; BHKP Futures at US\\$500/t for Sep'25](#)

[Positive Impacts for Suzano With U.S. Tariffs Exemption; BHKP Futures at US\\$495/t for Aug'25](#)

[Klabin Suspends Production in Paulínia Amid Pressured Landscape; BHKP Futures at US\\$500/t for Aug'25](#)

[Eldorado and Suzano Join Forces in Forest Timber Swap Deal; BHKP Futures at US\\$510/t for Aug'25](#)

[Continued Price Pressure Amid Challenging Macro Conditions; BHKP Futures at US\\$510/t for Aug'25](#)

[European Pulp Port Inventories Up +13% MoM in May'25; BHKP Futures at US\\$510/t for Aug'25](#)

[European Hardwood Consumer Stocks Declined MoM in May'25; BHKP Futures at US\\$509/t for Jul'25](#)

Thematic Reports & Updates

[There Will Be Pulp.... But Will There Be Capital, Land and Infrastructure?](#)

[The \(F\)X Factor: Updating Estimates and Analyzing FX Impacts on Pulp & Paper Names](#)

[There Will Be Pulp; Suzano \(Buy\) Is Our Top Pick; Upgrading Klabin and Irani to Buy \(from Neutral\)](#)

Other Reports

[Suzano \(SUZB3\): Challenges in China Remain... But New Opportunities Arise Elsewhere](#)

[Pulp & Paper: Deleveraging in Focus; China's Wood Supply Remains a Question Mark](#)

[Pulp & Paper: ST Tailwinds for Pulp Prices; But Structural Headwinds Remain - Pulp & Paper Global Outlook](#)

[M&M | P&P: Flat Steel Imports Stabilized in Sep'25 - Trade Monitor](#)

[M&M | P&P: Iron Ore and Gold Prices Suggesting Vale, CMIN and Aura as Highlights - 3Q25 Preview](#)

Disclaimer

October 23, 2025

Pulp & Paper

- 1) This report was prepared by XP Investimentos CCTVM S.A. ("XP Investimentos or XP") according to the requirements provided in CVM Resolution 20/2021 and aims to provide information that can help the investors make their own investment decisions, and does not constitute any kind of offer or purchase request and/or sale of any product. The information contained in this report is considered valid on the date of disclosure and has been obtained from public sources. XP Investimentos is not liable for any decisions made by the customer based on this report.
- 2) This report was prepared considering the product risk classification in order to generate allocation results for each investor profile.
- 3) All of the views expressed in this research report accurately reflect the research analyst's personal views regarding any and all of the subject securities or issuers. No part of analyst(s) compensation was, is or will be, directly or indirectly related to the specific recommendations or views expressed in this research report.
- 4) The signatory of this report declare that the recommendations reflect solely and exclusively their personal analyses and opinions, which have been produced independently, including in relation to XP Investimentos and which are subject to modifications without notice due to changes in market conditions, and that their remuneration are indirectly affected by revenue from business and financial transactions carried out by XP Investimentos.
- 5) The analyst responsible for the content of this report and the compliance with CVM Resolution 20/2021 is indicated above, and, in the event of an indication of another analyst in the report, the person responsible will be the first accredited analyst to be mentioned in Report.
- 6) XP Investimentos' analysts are obligated to comply with all the rules laid down in the APIMEC's conduct code for the securities analyst and XP Investimentos' analyst of securities conduct policy.
- 7) Customer service is carried out by XP Investimentos employees or by autonomous investment agents who perform their activities through XP, in accordance with CVM Resolution 16/2021, which are registered in the national association of brokers and distributors of securities ("ANCORD"). The autonomous agent of investment may not provide consulting, administration or management of customer net worth, and must act as an intermediary and request prior authorization from the client for the realization of any operation in the capital market.
- 8) For the purpose of verifying the adequacy of the investor's profile to the investment services and products offered by XP Investimentos, we use the methodology of adequacy of products by portfolio, in accordance with the ANBIMA Rules and Procedures of Suitability No. 01 and the ANBIMA Code of Regulation and Best Practices for Distribution of Investment Products. This methodology consists of assigning a maximum risk score for each investor profile (conservative, moderate and aggressive), as well as a risk score for each of the products offered by XP Investimentos, so that all customers can have access to all products, provided that within the amounts and limits of the risk score defined for their profile. Before applying to the products and/or contracting the services subject to this material, it is important that you verify that your current risk score includes the application in the products and/or the contracting of the services in question, as well as whether there are limitations of volume, concentration and/or quantity for the desired application. You can consult this information directly at the time of transmission of your order or by consulting the overall risk of your wallet on the portfolio screen (Risk View). If your current risk score does not support the desired application/contract, or if there are limitations in relation to the amount and/or financial volume for said application/contracting, this means that, based on the current composition of your portfolio, this application/contract is not appropriate to your profile. If you have questions about the process of suiting the products offered by XP Investimentos to your investor profile, please refer to the FAQ. Market conditions, climate change and the macroeconomic scenario can affect investment performance.
- 9) The profitability of financial products may present variations and their price or value may increase or decrease in a short period of time. Past performance is not necessarily indicative of future results. Performance disclosed is not net of any applicable taxes. The information present in this material is based on simulations and the actual results may be significantly different.
- 10) This report is intended exclusively for to the XP Investimentos' network, including independent XP agents and XP customers, and may also be released on XP's website. It is prohibited to reproduce or redistribute this report to any person, in whole or in part, whatever the purpose, without the prior express consent of XP Investimentos.
- 11) XP Investimentos' ombudsman has the mission to serve as a contact channel whenever customers who do not feel satisfied with the solutions given by the company to their problems. The contact can be made via telephone 0800 722 3710 if you are in Brazil or via ombudsman form if you are in other localities: <https://institucional.xpi.com.br/ouvidoria.aspx/>.
- 12) The cost of the transactions billing policies are defined in the operational cost tables which are made available on XP Investimentos website: www.xpi.com.br.
- 13) XP Investimentos is exempt from any liability for any damages, direct or indirect, that come from the use of this report or its contents.
- 14) Technical analysis and fundamental analysis follow different methodologies. Technical analysis is performed following concepts such as trends, support, resistance, candles, volume, and moving averages, amongst others. Fundamental analysis uses as information the results disseminated by the issuing companies and their projections. In this way, the opinions of fundamental analysts, who seek the best returns given the market conditions, the macroeconomic scenario and the specific events of the company and the sector, may differ from the opinions of technical analysts, which aim to identify the most likely movements on asset prices, using "stops" limit possible losses.
- 15) Equity investments available are portion a company's capital that is traded on the market. Stock is a variable financial investment (i.e. an investment in which profitability is not pre-established and varies depending on market quotations). Investment in stock is a high-risk investment and past performance is not necessarily indicative of future results and no statement or warranty, expressed or implied, is made in this material in relation to future performance. Market conditions, macroeconomic scenario, company and sector specific events can affect investment performance and may even result in significant asset losses. The recommended duration for equity investments is medium-long term. There is no guarantee of investment return for customers' investments in stock.
- 16) Investment in options is the purchase or sale rights of a good shall be negotiated at a price fixed at a future date, and the purchaser of the negotiated duty should pay a premium to the seller as in a secure agreement. Operations with these derivatives are considered very high risk for presenting high risk and return relationships and some positions present the possibility of losses higher than the capital invested. The recommended duration for the investment is short-term and the customer's assets are not guaranteed in this type of product.
- 17) Investment in terms are contracts for the purchase or sale of a certain number of shares at a fixed price for settlement within a specified period. The term of the contract is freely chosen by the investors, complying with the minimum period of 16 days and a maximum of 999 days. The price will be the value of the added share of a portion corresponding to the interest-which are set freely on the market, depending on the term of the contract. Every transaction in the term requires a guarantee deposit. These guarantees are provided in two forms: coverage or margin.
- 18) Investments in futures markets are subject to significant loss of principal. a commodity is an object or price determinant of a future contract or other derivative instrument, which may substantiate an index, a fee, a movable value or a physical product. Commodities are considered high risk investments, which include the possibility of price fluctuation due to the use of financial leverage. The recommended duration for commodity investments is short-term and customers' assets are not guaranteed in this type of product. Market conditions and the macroeconomic scenario can affect the performance investments.
- 19) This institution is adhering ANBIMA Code of Regulation and best practices for the distribution activity of retail investment products.
- 20) XP Investments US, LLC, a broker-dealer registered with the U.S. Securities and Exchange Commission, has assumed responsibility for this research for purposes of U.S. law. All transactions arising from this research should be directed to XP Investments US, LLC, at +1 646-664-0525.
- 21) XP Investimentos (a) managed or co-managed a public offering of securities for the subject company in the past 12 months, or (b) received compensation for investment banking services from the subject company in the past 12 months; or (c) expects to receive or intends to seek compensation for investment banking services from the subject company in the next 3 months.

