

West Fraser

Target:
\$103.14

Current Price: \$83.89
Market Cap: \$8.8B
Credit Rating: BBB- (S&P)

Price to Earnings: 3.12
Dividend Yield: 1.1%
Gross Profit Margin: 30%
Net Profit Margin: 13%
YoY Revenue Growth: 19%

INVESTMENT THESIS

Competent industry leader with great profit potential:

West Fraser Timber is a leader in the forestry industry with access to Canadian, US, and international markets via their North American mills. Due to the nature of their operations, the company is not impeded by the 2018 US tariffs but still capitalizes on scale and scope efficiencies of their diverse market access. These efficiencies are captured in their high profitability margins relative to peers. Additionally, the recent acquisition of Norbord positioned Timber as the world's largest producer of a distinct business line, strand board.

Opportune time to invest in the lumber industry:

In May 2021, lumber prices skyrocketed to a high of \$1,600 per 1,000 board feet. This temporarily suspended home renovations. Lumber prices then dropped to \$536 for 1,000 board feet mid-July to compensate for this lessened consumer demand. This restimulated consumer interest and should lead to a market correction in lumber pricing moving forward. Additionally, construction operations were stalled with pandemic-related work site regulations. As a key input to construction, the demand for wood products will increase with an influx of housing starts and an industrial boom. This increase in demand and paired higher chargeable prices will allow Timber to reap the benefits on their bottom line.

Attractive positioning in the sustainability space:

Timber is well positioned in the sustainability space. They are focused on reducing environmental impact and capitalizing on shifting consumer demand to favour environmentally friendly product alternatives. The company is accredited with certifications and licenses across internal operations and their supply chain. Timber limits waste production by utilizing 95% of log product including residuals and bioproducts. The company produces bioenergy via their pulp products which supports the transition to renewable energy. Timber consistently invests in green retrofits to reduced GHG emissions. These actions contribute to a greater reputation, access to sustainable markets, and improves operational efficiencies. Additionally, it positions the company ahead of competitors in green transitioning to meet future legal and regulatory requirements.

Strong governance controls with a well-diversified and largely independent board of directors:

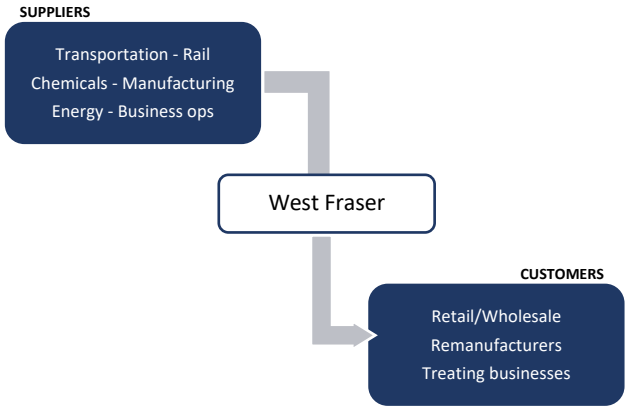
Timber exhibits a strong and diverse board of directors. The company's board of directors is larger than industry peers and yields greater gender diversity. Timber has also steadily increased the percentage of their board that are independent. These elements encourage diversity of thought and proactive risk management. Diverse perspectives are especially pertinent when considering issues that impact other stakeholders such as the environment and indigenous communities that are local to the areas in which they operate. Timber's strong governance controls are compensated with improved external relationships, reduced bias, and better risk management practices.

COMPANY OVERVIEW

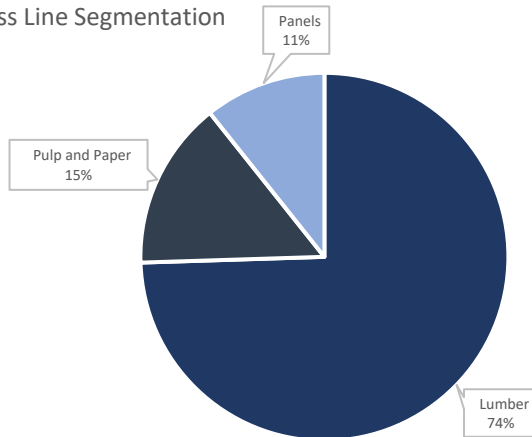
West Fraser Timber (NYSE: WFG) is a producer and distributor of diversified wood products, headquartered in Vancouver, British Columbia. Timber's offerings span lumber, treated wood products, pulp, papers, woodchips, and other residuals and renewables. The company was established in 1955 and first went public in 1986. Timber's growth is attributed to the acquisition of almost 33 sawmill facilities in Canada (12) and The United States (21). Additionally, the company owns 5 pulp and paper mills, 6 renewable energy facilities, 14 OSB facilities, 3 medium density fibreboard (MDF) facilities, 3 plywood facilities, 2 particle board facilities, 1 laminated veneer lumber (LVL) facility, 1 treated wood facility and 1 veneer facility. Canadian products stem from spruce-pine-fir (SPF) lumber, while American products are comprised of yellow southern pine (SYP) lumber. Timber is a highly capital-intensive business with large investments required to maintain and increase capacity.

Canadian operations are concentrated in British Columbia and Alberta. They require provincially approved licences to harvest publicly owned land. US operations are concentrated in the South. Sales channels include retail, wholesale, remanufacturers, and treating businesses. Timber has separate sales offices for Canadian and US mills. They conduct export sales via the Canadian office, with customer service support in an office in Japan. Sales efforts are primarily conducted via rail transportation¹. Timber has more than 12 primary suppliers include Canadian National Railway, Huntsman Corp, American Electric Power, and Atco. Primary customers include BMC Stock Holdings, Bois Cascade, Builders FirstSource, Doman Building Materials Group, Pinnacle Renewable Energy, and WONIK Cube.

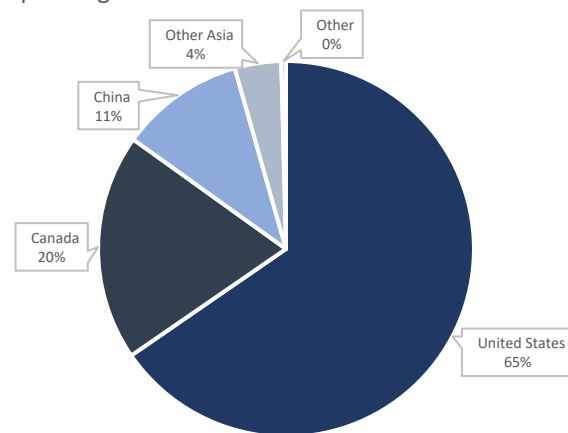
Timber operates in three distinct business lines: lumber, pulp and paper, and panels. Lumber is the key driver at 75% sales, followed by pulp and paper at 15% and panels at 10% respectively. Lumber includes SPF and SYP products. Pulp and papers include plywood, vertically laminate veneer (VLV), and medium-density fiberboard (MDF) under Blue Ridge and Quesnel product lines. Many of the company's raw materials are used as inputs in more complex processing for pulp and paper, MDF, and energy products. Approximately 65% of sales are derived in the US, 20% in Canada, and 15% in Asia and other markets, with 10% in China alone.



Business Line Segmentation



Geographic Segmentation



¹ Bloomberg

Timber engages in acquisitions to extend existing business lines and diversify products and geographic operations. On February 1st, 2021, Timbers acquired Canadian-based panel manufacturer, Norbord. This acquisition positioned Timber as the world’s largest producer of oriented strand board, a strong building material and alternative to plywood. The company operates several subsidiaries including West Fraser Mills Ltd. West Fraser Southeast, West Fraser Newsprint, Blue Ridge Lumber, and Sundre Forest Product. Additionally, the company is engaged in Alberta Newsprint Company and Cariboo Pulp & Paper Company joint ventures.

Subsidiaries	Location of Incorporation	Percentage of Ownership
West Fraser Mills Ltd.	British Columbia	100
Blue Ridge Lumber Inc.	Alberta	100
Sundre Forest Products Inc.	Alberta	100
Manning Forest Products Ltd.	Alberta	100
West Fraser Inc.	Delaware	100
West Fraser Wood Products Inc.	Delaware	100
West Fraser Southeast Inc.	Delaware	100
Cariboo Pulp and Paper Company	British Columbia	50
West Fraser Newsprint Ltd.	Alberta	50

INDUSTRY TRENDS

Forestry is a \$104 billion industry with recent growth of 18% YoY.² Canada is by far the leading exporter of lumber, exhibiting a large product trade balance gap with the next global competitor, Sweden. The gap between these two countries has been continuously widening since 2009.³ Similar to other commodities, wood products experience extreme price fluctuations with shifts in the economic cycle and consumer trends. The rise of digital platforms as a substitute to paper means, changes in demand for housing starts and industrial construction, and an increased focus on sustainability and the need for fuel alternatives to oil, biochemical products for pharmaceuticals, biodegradable alternatives to single-use plastics, and more environmentally friendly building materials, have all heavily contributed to changes in industry dynamics. The pandemic has served to heighten some of these trends and cause dramatic fluctuations in the price of lumber.

*Pandemic implications on the price of lumber*⁴: In April 2021, lumber spearheaded the greatest increase in the industrial product price index (IPPI) since 1980. The IPPI increased by 14.2% YoY and lumber prices alone increased by 6.5%.⁵ By mid-May, Lumber prices reached \$1,600 per 1,000 board feet. Although wood product manufacturers had available capacity, pandemic-related workplace regulations, transportation-related supply chain barriers, US-instated tariffs on Canadian imports of lumber products, and a surge in home improvements and construction led to these price increases. Consumers resisted these prices by delaying home improvements and construction projects. This forced lumber prices down to the current price of \$600. Post-pandemic, market corrections are expected to ensue as pent-up consumer demand is relieved and business operations return to “normal.”

² Bloomberg

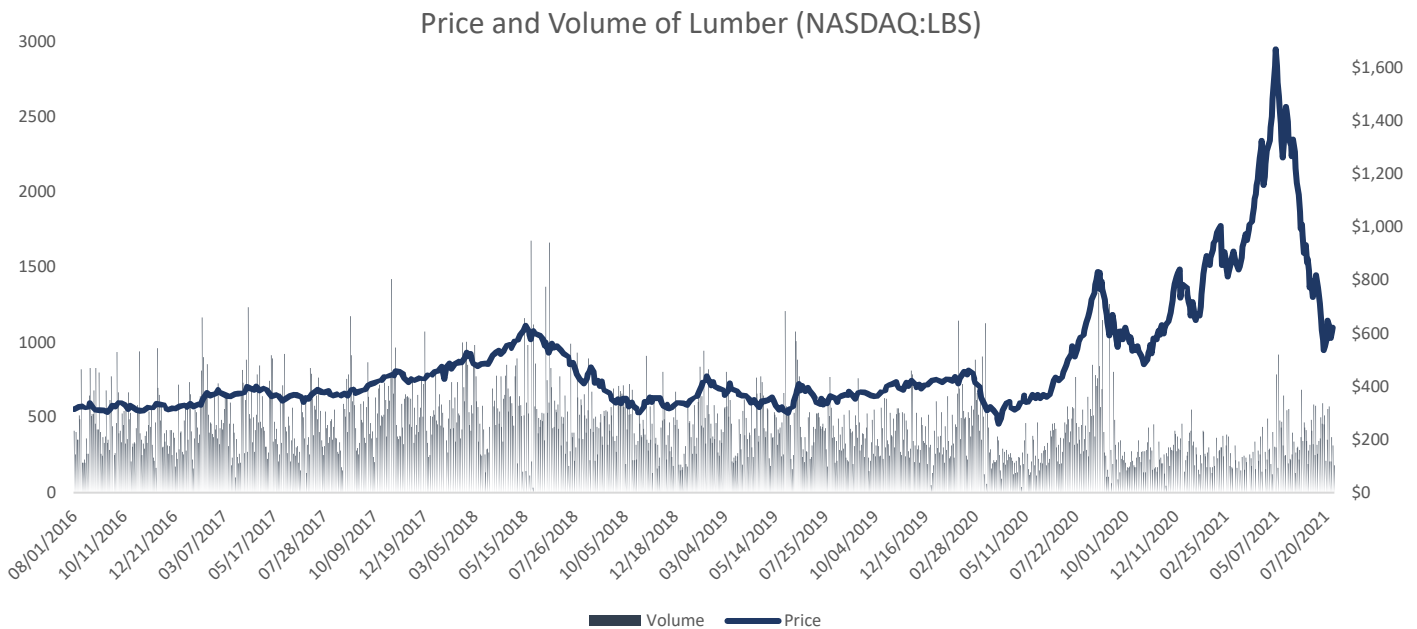
³ <https://www.nrcan.gc.ca/our-natural-resources/forests-forestry/forest-industry-trade/overview-canadas-forest-industry/13311>

⁴ <https://www.nasdaq.com/market-activity/commodities/lbs/historical>

⁵ <https://www150.statcan.gc.ca/n1/daily-quotidien/210513/dq210513a-eng.htm>

The rise of digital platforms: Lifestyle changes have shifted from a reliance on paper to favour digital platforms. Paper creates unnecessary challenges by being more difficult to track, use a greater amount of space, have environmental consequences, and cause information to be more difficult to access and share. The pandemic has further exacerbated this shift through remote work settings and by flagging the additional health and safety risks of transferring documents between individuals. This transformation in how individuals live, work, and absorb media has negatively impacted the forestry industry. It has forced wood product producers to seek alternative business line opportunities and transform their production, marketing, and overall business operations.

Shifting consumer demand to favour environmentally sustainable alternatives: The forestry industry has adapted to changes in consumer demand to stay profitable. Traditional businesses favoured paper production for stationary, office, and marketing needs. New businesses have transitioned to offer products that are more sustainably aligned. Key changes to product offerings include wood pellets as an alternative fuel source, biodegradable replacements for single-use plastic goods, biochemical compounds to replace traditional chemicals, and building materials that are sustainably sourced and biodegradable. The wood industry is now critical in creating more sustainable product life cycles including providing energy during manufacturing, inputs used in consumer goods, packaging of goods, and recycling or disposal. In particular, wood pellets are considered one of the most superior biofuels, honing the carbon neutral effect of biofuels without the release of other polluting particulates (NOx, SO2, and CO.)

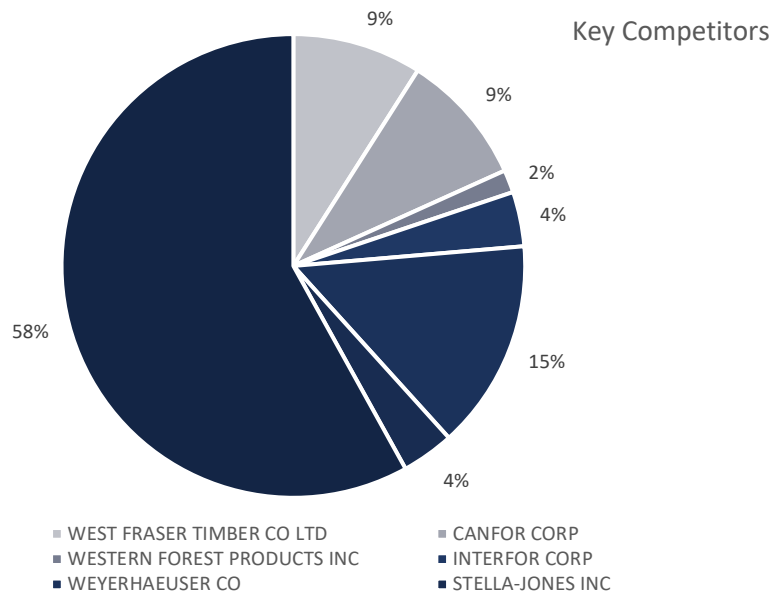


COMPETITIVE POSITIONING

The lumber industry is fairly fragmented, with the 6 key competitors making up 40% of all revenue, and the remaining 60% divided by more than 30 other firms.⁶ Acquisitions of smaller firms are therefore common within the industry. Producers are predominantly concentrated in Canada but supported by US operations. Key competitors include Canadian Canfor (British Columbia), Stella-Jones (Quebec), Western Forest (British Columbia), and Interfor (British Columbia), and US Weyerhaeuser (Washington). 2018 US tariffs on Canadian imports have created additional strain on Canadian producers. Canadian companies invested in US mills may

⁶ Bloomberg

therefore benefit from the lack of tariffs on export sales, capitalize on diversification of lumber and market access, and be better positioned to meet consumer demand.



Weyerhaeuser: With a \$26 billion market cap, Weyerhaeuser is the largest competitor in the industry. 87% of the company’s revenue is generated in the US, followed by 7%, 4%, 1% and 1% in Canada, Japan, China and international countries respectively. Unlike competitors, Weyerhaeuser’s business segments span traditional sawmill products as well as timber-producing real estate. In particular, the company specializes in harvesting, developing and constructing real estate for residential, commercial and industrial purposes. Weyerhaeuser therefore serves a vastly different customer than West Fraser Timber.⁷

Canfor: Similar to West Fraser Timber, Canfor generates the majority of revenue from wood products, with the remaining derived from pulp and paper products. The company has a market cap of \$2.4 billion and is therefore less than 1/3 of West Fraser’s size. The company is located in Vancouver, British Columbia and services the US, Asia, Europe, Canada and international markets at 56%, 18%, 14%, 10% and 2% respectively.⁸

Western Forest: Western Forest is the smallest of key competitors with a market cap of \$583 million. Unlike peers, their geographic segmentation is more fragmented. 34% is derived from Canada, 32% in the US, and 16%, 5% and 13% are generated in China, Japan, Europe and International markets respectively.⁹

Interfor: Interfor has a market cap of \$1.3 billion and \$1.84 billion in revenue from wood products. The company is headquartered in Burnaby, Vancouver but primarily ships to the US at 78% of total revenue. Interfor also derives revenue from Canada, Japan, China and international markets at 14%, 3%, 2%, and 2% respectively. The company operates several subsidiaries including Keadle Lumber Enterprises, Seaboard International Shipping Company, and Cedarprime Inc.¹⁰

⁷ Bloomberg

⁸ Bloomberg

⁹ Bloomberg

¹⁰ Bloomberg

Stella-Jones: With a market cap of \$2.3 billion, Stella-Jones derives 70% of revenue from wood products and 30% from wood preservation. The company focuses on industrial structures for electrical utilities and telecommunications firms. Nearly 70% of the company's revenue is derived in the US, with the remaining in Canada.¹¹

Timber performs better than peers across all key metrics. The company has a larger market cap and net sales due to their geographically dispersed operations. They have a greater dividend yield due to their mature and stable operations. Timber also has better profitability margins because they have more capacity to capitalize on economies of scope and scale, and more leverage to invest in process efficiencies. This is proven through their larger 12-month capex spending and lower debt to asset ratio. The company's operating margin, gross margin, and return on assets are greater than industry peers by 9%, 15%, and 14% respectively. On average, the company is also more efficient with their capital, yielding a return on invested capital 8% higher than peers. This is especially important due to the capital-intensive nature of the industry.

WEST FRASER TIMBER (WFG)												
Name	Ticker	Mkt Cap (USD)	Net Sales 12M	Dvd Yld	CAPEX (\$M)	Op Margin	Gross Margin	ROA	ROE	ROIC	D/A	P/EBITDA
Median		2363.7	3367.63	0.71	153,716	34.275	25.395	15.29	25.325	18.9	18.59	3.255
WEST FRASER TIMBER	WFG	8665.34	5828.62	0.91	197,964	37.52	29.18	17.39	29.37	20.47	17.8	2.9
CANFOR	CFP	2409.98	4715.78	0	164,089	31.03	23.29	20.74	49.43	27.64	10.27	1.68
WESTERN FOREST	WEF	582.25	900.13	0.51	-16,317	20.16	10.15	13.19	21.28	17.33	2.8	3.61
INTERFOR	IFP	1345.88	1934.09	0	143,342	41.87	27.5	28.88	48.84	34.18	19.38	1.97
WEYERHAEUSER	US	26110.14	8310	0.98	266,000	38.15	27.68	7.79	15.26	14.56	32.45	8.58
STELLA-JONES	CN	2317.42	2019.48	1.41	-35,771	13.16	17.48	8.99	17.28	10.6	34.95	7.08

Source: Bloomberg

ESG CONSIDERATIONS

Timber is an ESG industry leader in the forestry space, showing consistent improvements in metrics and greater positioning relative to peers. The company is transparent in their ESG rankings, sharing full sustainability reports, metrics and certifications on their website.

Environment: Timber's product offerings encompass 95% of log materials and therefore limit waste production.¹² The company's Canadian sourcing and management activities are certified by the Sustainable Forestry Initiative (SFI) and licensed by the provinces in which they operate. The company does not own US mills but procures lumber from US and Ontario suppliers with SFI certifications. Timber also maintains a Programme for Endorsement of Forest Certification (PEFC) to ensure that their supply chain consists of ethical sources, practices, legal and regulatory application, and standards.

¹¹ Bloomberg

¹² <https://www.westfraser.com/responsibility>

The company currently supplies 75% of their operations with renewable energy sources. Additionally, Timber produces bioenergy via their pulp products and has invested in capital improvements for greater energy efficiency. Some of these retrofits include rebuilding the Alberta sawmill in 2018, upgrading refining technology, log merchandising, and sales systems in existing mills between 2018 and 2020, and completing an upgrade of veneer dryers in the Alberta facility in 2020.¹³ These retrofits have helped reduced scope 1 and 2 GHG emissions (direct and owned) by 5% since 2005 and 13% GHG emissions/revenue YoY. Solid wood manufacturing facilities direct emissions have decreased by 22% alone, despite increasing capacity by 41% with greater production growth and sawmill acquisitions. The company is therefore well below competitors at 90% peer average GHG/revenue. The company has not relayed information on scope 3 emissions. These are unowned indirect emissions including, upstream activities (employee commuting, waste disposal, purchased goods and services), transportation and distribution, and downstream activities (product use, product disposal, investments.) This is especially pertinent because the company does not own forest management operations in the US. The impact of third-party suppliers is therefore not considered in environmental improvements. The company has indicated plans to continue improvements in emission tracking, management, and reporting with regard to carbon tax regulations in key areas of operation. Timber therefore abides by Alberta's Technology Innovation and Emissions Reduction (TIER) Regulation and B.C.'s Climate Change Accountability Act (CCAA).

Metrics	Current	Delta	Peer
Environmental			
GHG/Revenue	306.3	-46.4	-34.5
Social			
Women Employees %	14	-3	
Employee Turnover %	19	0	
Employees Unionized %	34	1	16.6
Lost Time Incident Rate	1.02	0.1	
Governance			
Independent Directors %	90	8.2	1.1
Women BoD Members %	38.5	29.4	13.5
Director Meeting Attd %	100	8	0.5
Board Size	13	2	4
	Better	Worse	Indifferent

Social: Timber engages in socially responsible businesses practices by identifying and consulting key stakeholders impacted by operations. The company works with more than 100 Indigenous communities and organizations who are local to land harvested. The natural resource industries are primarily male dominated, with only a 17% female workforce.¹⁴ Timber is no exception, made up of only 14% female employees, for a 3% YoY decrease. Another large trend in the natural resource sector is high employee unionization. 34% of Timber's employees are unionized, which is more than double industry average.

Governance: Timber's board size is more than 3x peer average with 13 members, and the percentage of independent directors is almost 90x peer average at 90%. The percentage of independent directors has increased by 10% YoY. Despite women making up a small portion of Timber's overall workforce, their board of directors is more balanced than peers at 38.5% female members. This implies that Timber is prioritizing controversial board issues of inequity, lack of diversity in opinion, transparency, and bias. Additionally, Timber has omitted that their historical approach to environmental, social, and governance factors has been primarily compliance-driven for the granting of provincial government licences and achievement of certifications. The company has indicated they will proactively work to create impact, rather than meet legal and regulatory needs.

¹³ 10k

¹⁴ <https://www.cif-ifc.org/gender-equity-in-canadas-forest-sector-initiative/>

RISKS

The forestry industry is highly susceptible to fluctuations in the economic cycle, shifting consumer demand, and supply chain interferences. Additionally, companies within the industry must continue to invest and innovate to stay competitive. Timber is therefore subject to a variety of industry-wide and company specific risks.

Cyclical economic implications on demand: As a commodity manufacturer, Timber's products are primarily inputs and therefore volatile to the price of the input itself, complementary goods, and related outputs. Demand for such products varies throughout the year with construction activity, and throughout the economic cycle with stimulation in housing starts, industrial construction and building renovations. Recessions therefore pose a serious threat to the forestry business.

Seasonal influences on the supply chain: Timber's wood products are susceptible to seasonal influences on logging activities, manufacturing, and transportation. Severe weather such as wildfires may limit logging activity, and hurricanes and cold weather may impede manufacturing. The company also relies on rail transportation for their distribution efforts. Rail transportation may be subject to environmental factors such as seasonal and catastrophic weather.

Geopolitical factors limiting access to markets: Transportation between countries may be subject to political factors such as border tariffs and quotas. Although the company yields two distinct sales offices for their Canadian and American operating regions, the Canadian sales office also spans international exports. Thus, free trade agreements to stimulate the wood product industry in other nations, trade wars, or any other international government intervention could directly impact Timber's profitability.

Pressure to innovate: The commodity landscape is constantly evolving to meet changing consumer demands, workforce needs, and technology-enabling efficiencies. Timber must continuously prove that products are purposeful, and processes are advanced enough to meet these industry-wide changes. This means additional considerations for sustainability implications and applications, technological advancements for greater efficiencies, employee upskilling and reskilling, and international relationships for greater market access and reach.

Relationships with supply chain stakeholders and external ESG considerations: Forest management activities in the US are not controlled by Timber and the company does not have influence over operations. Relationships with local Indigenous peoples and sustainable harvesting practices pose a high ESG risk.

FINANCIALS

In 2019, low lumber prices and pandemic disrupted supply chains reduced Timber's financial positioning. The company was able to recover to pre-pandemic levels in 2020. The company's profitability grew 8% EBITDA and 7% operating margin since 2018 with lower indirect expenses, despite stunted growth in 2019. Profit margin exhibited little change since 2018. These ratios have been steadily increasing since 2015, driven by greater efficiencies and acquisitions to widen margins.

Timber's key liquidity ratios remained relatively unchanged or recovered to pre-pandemic levels in 2020. Since 2018, Timber's cash ratio more than doubled but remains less than 1, and accounts receivable turnover increased by 4%. This was the result of good contract management and the ability to collect outstanding debts from customers via pandemic relief. In 2019, current ratio fell 30% YoY which was below 2015 levels. This was caused by high price shocks to lumber and the inability to sell inventory. It has since recovered by 17% with improved inventory management. Similarly, inventory turnover, accounts payable, and asset turnover have

decreased in 2019 but slightly recovered in 2020. These ratios have also exhibited steady growth since 2015 and should therefore not be a concern moving forward if management continues to collect from debtors, pay creditors, and manage inventory effectively.

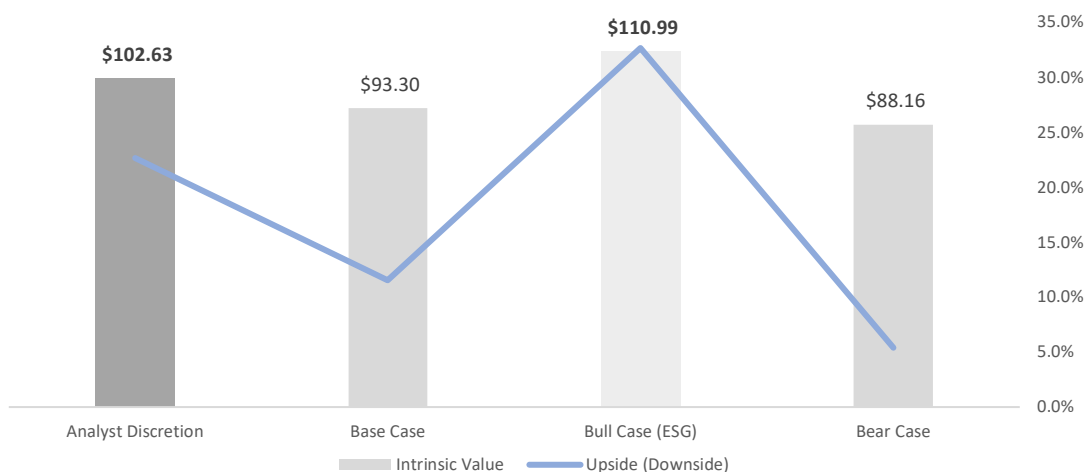
Debt repayment is not a concern for Timber. The company’s debt to asset and debt to equity ratios are below peer averages and continuously decreasing. Despite acquisitions, the company is well positioned with a net interest coverage decreasing 22% since 2018, and 30% since their 2017 acquisitions. The company has proven to manage debt loads and make acquisition repayments successfully. Additionally, Timber is not overleveraged and therefore not at risk should any new acquisitions come to the forefront.

Earnings per share is at \$8.43 and has increased at an average of 168% YoY since 2015. This earnings growth has been compensated with a high dividend yield, increasing at an average of 25% YoY since 2015. The company has not indicated any future actions to reduce or discontinue dividend growth. This high dividend yield indicates a steady flow of income for investors.

VALUATION

West Fraser Timber was valued using equally weighted DCF and Relative Valuation models for a target price of \$103.13. This results in a 23% upside from the current price of \$83.64. Both valuation models considered ESG adjustments based on the company’s attractiveness compared to peers due to their positive ESG positioning. As downstream companies become more critical of their own value chains and product offerings, they are likely to favour ESG-oriented suppliers. Therefore, Timber is expected to see more growth potential and customers may be willing to pay more for their seemingly “higher quality products.”

The DCF model considered four revenue scenarios: Base, Bull and Bear cases, as well as an “Analyst’s Discretion” case. The Base case allowed for uncertainty in pricing, the Bear case assumed temporary price increases, and the Bull case or “ESG case” was aggressive in projections, assuming greater demand for wood pellet biofuel (pulp and paper products) and other materials that if derived from ESG-oriented companies may yield higher prices. The Analyst’s Discretion case assumed some price fluctuation from the Base case, but projected prices upwards to account for slight price increases associated with the Bull case. These revenue projections are aligned to street forecasts, and were the only projection considered in the final Target price.



The Gordon Growth Model and Multiples Method were equally weighted to determine the terminal value. A growth rate of 2% and multiple of 5x were selected respectively. The 5x multiple was calculated by slightly upward revising the median EV/EBITDA multiple of peers to account for greater growth potential. The discount

rate of 14.1% was calculated via the bottom-up beta method and differentiates from Bloomberg's estimate by -0.1%. The intrinsic value was calculated at \$102.63 for a 22.7% upside.

		Growth Rate				
		1.0%	1.5%	2.0%	2.5%	3.0%
Discount Rate	12%	\$ 111	\$ 113	\$ 115	\$ 117	\$ 120
	13%	\$ 106	\$ 107	\$ 109	\$ 110	\$ 112
	14%	\$ 101	\$ 102	\$ 103	\$ 105	\$ 106
	15%	\$ 96	\$ 97	\$ 98	\$ 100	\$ 101
	16%	\$ 92	\$ 93	\$ 94	\$ 95	\$ 96

		EV/EBITDA				
		3x	4x	5x	6x	7x
Discount Rate	12%	\$ 102.39	\$ 108.69	\$ 114.98	\$ 121.28	\$ 127.57
	13%	\$ 96.47	\$ 102.54	\$ 108.61	\$ 114.69	\$ 120.76
	14%	\$ 91.41	\$ 97.27	\$ 103.13	\$ 109.00	\$ 114.86
	15%	\$ 87.02	\$ 92.68	\$ 98.34	\$ 104.01	\$ 109.67
	16%	\$ 83.17	\$ 88.64	\$ 94.11	\$ 99.58	\$ 105.05

The Relative Valuation method used the peer median of forward EV/Sales, EV/EBITDA, and P/E ratios. The averages of these results were weighted at 25% of the final market value calculation. The other 75% was calculated using ESG-adjusted ratios. The company's estimated production of GHG emissions/sales ratio was used as a proxy for ESG-orientation because the industry is heavily capital intensive. Timber is superior to peers in this ratio and may therefore be seen as a more attractive supplier. Therefore, multiples were revised upwards using the 75th percentiles to represent greater expected growth. The final calculated market value was \$103.65 for a 23.9% upside.

INVESTMENT RECOMMENDATION

West Fraser Timber is a recommended BUY at a 23% upside. Not only does the company exhibit a strong business model, competent management, and great expected future growth with lumber pricing, but the company is an excellent representation of an ESG leader in the commodities space. The company performs better than peers across all key financial metrics, is large in scope and geographic reach but incurs limited trade barriers, and exhibits better-than-peer average ESG metrics that management has committed to continuously improve. The company's commitment to dividends provides a sustainable stream of income, and their internal and acquisition-growth strategies ensure greater future cash flows. However, it is important to monitor future acquisitions to ensure the company is not hindered from prior transaction hubris and that external growth does not replace internal innovation. Additionally, future relations with the local communities in which they operate and laws regarding environmental protection should maintain top of mind to reduce risks of litigation and other financially material consequences. Overall, West Fraser Timber has the potential to yield promising returns for both the Sprott Student Investment Fund and associated investors.

APPENDIX I – FINANCIAL CONDITION

WEST FRASER TIMBER (WFG)						
<i>In Millions of USD except Per Share</i>	2015	2016	2017	2018	2019	2020
Profitability						
EBITDA Margin	10.73	15.26	21.04	21.72	2.05	23.42
Operating Margin	6.07	10.83	16.95	17.52	-3.26	18.77
Profit Margin	2.54	7.33	11.61	13.24	-3.08	13.27
Return on Assets	2.96	9.01	14.69	17.4	-3.17	14.95
Return on Common Equity	4.98	14.86	24	28.82	-5.59	27.57
Return on Invested Capital	6.12	12.43	18.85	21.3	-2.57	19.76
Liquidity						
Current Ratio	1.6	2.04	2.21	2.26	1.37	1.6
Cash Ratio	0.02	0.11	0.44	0.27	0.02	0.55
Activity						
Accounts Receivable Turnover	15.19	17.91	18.98	21.7	20.58	22.63
Inventory Turnover	5.75	5.94	6.04	5.95	5.74	5.66
Accounts Payable Turnover	18.14	17.75	16.99	17.74	17.25	16.14
Cash Conversion Cycle	67.35	61.43	58.2	57.56	60.12	58.17
Asset Turnover	1.17	1.23	1.27	1.31	1.03	1.13
Net Fixed Asset Turnover	2.66	2.7	2.87	3.1	2.32	2.75
Financial Leverage						
LT Debt to Total Assets	11.64	11.47	14.08	14.44	14.1	11.16
LT Debt to Total Equity	19.7	18.43	23.33	23.9	26.6	20.19
Total Debt to Total Equity	29.34	19.1	23.33	26.45	42.89	32.87
Financial Leverage	1.68	1.65	1.63	1.66	1.76	1.84
Net Interest Coverage	7.78	19.5	36.25	32.53	—	25.23
Capital Expenditure Ratio	1.37	2.52	2.68	2.46	0.28	5.37
Shareholder						
Basic Earnings per Share	0.98	3.07	5.88	8.4	-1.64	8.43
<i>Dividend Payout Ratio</i>	22.37	6.75	4.7	6.3	—	7.09
Average Dividend Yield	0.56	0.67	0.45	0.45	1.22	1.62

Source: Bloomberg

2021-01-11

West Fraser Timber (NYSE:WFG)



DCF Valuation **\$102.63**
 Upside **22%**
 Relative Valuation **\$103.65**
 Upside **24%**

Target Price **\$103.14**

Current Price **\$83.64**

Equity Analyst: Gabrielle D. Kolotinsky
 Sector: Energy, Utilities and Materials

Levered Beta and WACC Calculation

	Unlevered Beta	Debt (\$USD million)	Debt %	Equity (\$USD million)	Equity %	5-Year Average Tax Rate	Levered Beta
Current Capital Structure	1.51	\$ 498.90	5.1%	\$ 9,200.40	94.9%	27.5%	1.57
"Optimal" Capital Structure	1.51	\$ 1,144.09	11.8%	\$ 8,555.21	88.2%	27.5%	1.66
Cost of Equity							
Current capital structure, comps							13.5%
"Optimal" capital structure, comps							14.1%
Historic beta							17.2%
Average Cost of Equity							
							15.0%
Cost of Capital							
Current capital structure, comps							12.9%
"Optimal" capital structure, comps							12.8%
Historic beta							16.5%
Average WACC							
							14.1%

5-Year Average Tax Rate Calculation

Name	Ticker	2016A	2017A	2018A	2019A	2020A	5 Year Average Tax Rate
CANFOR CORP	CFP CN	23.9%	25.2%	25.4%		22.3%	24.2%
WESTERN FOREST PRODUCTS INC	WEF CN	8.1%	7.4%	6.1%	-5.4%	3.6%	4.0%
INTERFOR CORP	IFP CN	9.9%	26.0%	26.0%	0.0%	24.2%	17.2%
WEYERHAEUSER CO	WY US	17.7%	18.7%	7.3%	18.7%	7.3%	13.9%
STELLA-JONES INC	SJ CN	28.6%	10.9%	26.5%	25.4%	26.1%	23.5%
Average							
West Fraser Timber	WFG	26.6%	29.6%	24.4%	31.5%	25.5%	27.5%

West Fraser Timber (NYSE:WFG)

Assumptions

Model Inputs

Firm		West Fraser Timber (NYSE:WFG)
Units		\$1M USD
Transaction Date		2021-01-11
Forecast Period (yrs)		5
Current Price		83.64
Fully Diluted Shares o/s (MM)		110
Tax Rate		25%
Hardcode		
Link within Workbook		
Depreciation		Straight-line
Capex (as a % of Revenue)		4.8%
Terminal Growth Rate		2.0%
Exit Multiple		5x
Discount Rate		14%

Error Check

Master Check:	OK
A = L + E	OK
Cash Balance	OK

Scenario Overview

Analyst Discretion	Estimated 2021 street revenues at \$1B. Already exhibiting improved sales with higher lumber prices. Will continue to see growth internally and through acquisitions.
Base	Slightly more conservative than analyst's estimates, allowing for slight price decreases as necessary.
Bull (ESG)	The demand for pulp and paper products skyrockets with greater sales of wood pellet biofuel. This company is able to consistently grow and maintain an ESG-friendly reputation.
Bear	Price increases are temporary and return to steady levels.

Exit Multiple

Competitors	EV/EBITDA
CANFOR CORP	3x
WESTERN FOREST PRODUCTS INC	4x
INTERFOR CORP	4x
WEYERHAEUSER CO	14x
STELLA-JONES INC	9x
MEDIAN	4x

WFG is showing great growth potential through internal and acquisition means.

						Live Case					Analyst Discretion				
	2016A	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F	2021F	2022F	2023F	2024F	2025F
Revenue															
Lumber															
Price per MMfbm	\$ 0.38	\$ 0.45	\$ 0.50	\$ 0.41	\$ 0.54	\$ 1.20	\$ 1.20	\$ 1.30	\$ 1.30	\$ 1.40	\$ 1.20	\$ 1.20	\$ 1.30	\$ 1.30	\$ 1.40
Production (MMfbm)	5935	6233	6609	5912	5958	6129.40	6168.28	6155.34	6064.60	6095.12	6166.41	6168.28	6155.34	6064.60	6095.12
Shipments (MMfbm)	6004	6101	6582	6055	6075	6166.41	6168.28	6155.34	6064.60	6095.12	6166.41	6168.28	6155.34	6064.60	6095.12
Used Production	101.2%	97.9%	99.6%	102.4%	102.0%	100.6%	100.0%	100.0%	100.0%	100.0%	100.6%	100.0%	100.0%	100.0%	100.0%
Lumber Revenue	\$ 2,297.80	\$ 2,739.80	\$ 3,312.00	\$ 2,500.00	\$ 3,253.70	\$ 7,399.69	\$ 7,401.94	\$ 8,001.94	\$ 7,883.98	\$ 8,533.17	\$ 7,399.69	\$ 7,401.94	\$ 8,001.94	\$ 7,883.98	\$ 8,533.17
Pulp and Paper															
Price per MMfbm	\$ 0.51	\$ 0.59	\$ 0.71	\$ 0.58	\$ 0.53	\$ 1.30	\$ 1.40	\$ 1.40	\$ 1.50	\$ 1.50	\$ 1.30	\$ 1.40	\$ 1.40	\$ 1.50	\$ 1.50
Capacity (metric tonnes)	1385	1395	1395	1395	1395	1395.00	1395.00	1395.00	1395.00	1395.00	1395.00	1395.00	1395.00	1395.00	1395.00
Production (metric tonnes)	1320	1294	1270	1249	1229	1274.31	1274.31	1274.31	1274.31	1274.31	1274.31	1274.31	1274.31	1274.31	1274.31
Used Capacity	95.3%	92.8%	91.0%	89.5%	88.1%	91.3%	91.3%	91.3%	91.3%	91.3%	91.3%	91.3%	91.3%	91.3%	91.3%
Pulp and Paper Revenue	\$ 670.00	\$ 761.70	\$ 897.60	\$ 728.10	\$ 647.20	\$ 1,656.60	\$ 1,784.03	\$ 1,784.03	\$ 1,911.46	\$ 1,911.46	\$ 1,656.60	\$ 1,784.03	\$ 1,784.03	\$ 1,911.46	\$ 1,911.46
Panels															
Price per MMfbm (\$USD)	\$ 0.12	\$ 0.12	\$ 0.15	\$ 0.15	\$ 0.16	\$ 0.35	\$ 0.35	\$ 0.40	\$ 0.40	\$ 0.50	\$ 0.35	\$ 0.35	\$ 0.40	\$ 0.40	\$ 0.50
Capacity (sq ft)	4300	4310	3710	3710	3710	3710.00	3710.00	3710.00	3710.00	3710.00	3710.00	3710.00	3710.00	3710.00	3710.00
Production (sq ft)	3201	3705	3308	3073	2919	3050.20	3050.20	3050.20	3050.20	3050.20	3050.20	3050.20	3050.20	3050.20	3050.20
Used Capacity	74.4%	86.0%	89.2%	82.8%	78.7%	82.2%	82.2%	82.2%	82.2%	82.2%	82.2%	82.2%	82.2%	82.2%	82.2%
Panel Revenue	\$ 393.50	\$ 456.40	\$ 512.50	\$ 447.70	\$ 465.80	\$ 1,067.57	\$ 1,067.57	\$ 1,220.08	\$ 1,220.08	\$ 1,525.10	\$ 1,067.57	\$ 1,067.57	\$ 1,220.08	\$ 1,220.08	\$ 1,525.10
Total Estimate Revenue	\$ 3,361.30	\$ 3,957.90	\$ 4,722.10	\$ 3,675.80	\$ 4,366.70	\$ 10,123.86	\$ 10,253.54	\$ 11,006.05	\$ 11,015.52	\$ 11,969.73	\$ 10,123.86	\$ 10,253.54	\$ 11,006.05	\$ 11,015.52	\$ 11,969.73

Price Assumptions

	2016A	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F
Analyst Discretion										
Lumber	\$ 0.38	\$ 0.45	\$ 0.50	\$ 0.41	\$ 0.54	\$ 1.20	\$ 1.20	\$ 1.30	\$ 1.30	\$ 1.40
Pulp and Paper	\$ 0.51	\$ 0.59	\$ 0.71	\$ 0.58	\$ 0.53	\$ 1.30	\$ 1.40	\$ 1.40	\$ 1.50	\$ 1.50
Panel	\$ 0.12	\$ 0.12	\$ 0.15	\$ 0.15	\$ 0.16	\$ 0.35	\$ 0.35	\$ 0.40	\$ 0.40	\$ 0.50
Base										
Lumber	\$ 0.38	\$ 0.45	\$ 0.50	\$ 0.41	\$ 0.54	\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.30	\$ 1.30
Pulp and Paper	\$ 0.51	\$ 0.59	\$ 0.71	\$ 0.58	\$ 0.53	\$ 1.20	\$ 1.20	\$ 1.30	\$ 1.30	\$ 1.40
Panel	\$ 0.12	\$ 0.12	\$ 0.15	\$ 0.15	\$ 0.16	\$ 0.35	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40
Bull										
Lumber	\$ 0.38	\$ 0.45	\$ 0.50	\$ 0.41	\$ 0.54	\$ 1.20	\$ 1.30	\$ 1.40	\$ 1.40	\$ 1.50
Pulp and Paper	\$ 0.51	\$ 0.59	\$ 0.71	\$ 0.58	\$ 0.53	\$ 1.40	\$ 1.50	\$ 1.60	\$ 1.70	\$ 1.80
Panel	\$ 0.12	\$ 0.12	\$ 0.15	\$ 0.15	\$ 0.16	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.50
Bear										
Lumber	\$ 0.38	\$ 0.45	\$ 0.50	\$ 0.41	\$ 0.54	\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.20
Pulp and Paper	\$ 0.51	\$ 0.59	\$ 0.71	\$ 0.58	\$ 0.53	\$ 1.20	\$ 1.20	\$ 1.30	\$ 1.30	\$ 1.30
Panel	\$ 0.12	\$ 0.12	\$ 0.15	\$ 0.15	\$ 0.16	\$ 0.35	\$ 0.35	\$ 0.40	\$ 0.40	\$ 0.40

COGS Assumptions

	2016A	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F
COGS										
Lumber COGS				\$ 1,950.60	\$ 1,875.80	\$ 4,555.74	\$ 4,614.09	\$ 4,952.72	\$ 4,956.99	\$ 5,386.38
Lumber % Revenue	53.1%	43.0%		43.0%	43.0%	45.0%	45.0%	45.0%	45.0%	45.0%
Pulp and Paper COGS				\$ 553.20	\$ 488.90	\$ 1,328.55	\$ 1,345.57	\$ 1,444.32	\$ 1,445.56	\$ 1,570.78
Pulp and Paper % Revenue				15.0%	11.2%	13.1%	13.1%	13.1%	13.1%	13.1%
Panels COGS				\$ 351.10	\$ 304.50	\$ 836.48	\$ 847.19	\$ 909.37	\$ 910.15	\$ 988.99
Panels % Revenue	9.6%	7.0%		7.0%	7.0%	8.3%	8.3%	8.3%	8.3%	8.3%
Corporate and Other COGS				\$ 435.00	\$ 423.30	\$ 1,089.73	\$ 1,103.69	\$ 1,184.69	\$ 1,185.71	\$ 1,288.42
Corporate and Other % Revenue				11.8%	9.7%	10.8%	10.8%	10.8%	10.8%	10.8%
Total COGS	\$ 2,719.30	\$ 2,911.80	\$ 3,356.70	\$ 3,289.90	\$ 3,092.50	\$ 7,810.49	\$ 7,910.54	\$ 8,491.10	\$ 8,498.41	\$ 9,234.58
Total % Revenue	74.0%	79.2%	91.3%	89.5%	70.8%	77.1%	77.1%	77.1%	77.1%	77.1%

Operating Expenses Assumptions

	2016A	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F
Operating Expenses										
Selling, General and Administration	\$ 132.90	\$ 151.90	\$ 178.30	\$ 159.00	\$ 184.40	\$ 314.23	\$ 318.26	\$ 341.61	\$ 341.91	\$ 371.53
Selling, General and Administration % Revenue	4.0%	3.8%	3.8%	4.3%	4.2%	4.0%	4.0%	4.0%	4.0%	4.0%
Depreciation and Amortization	\$ 148.80	\$ 161.90	\$ 198.40	\$ 195.20	\$ 203.00	\$ 197.63	\$ 230.42	\$ 265.61	\$ 300.83	\$ 339.10
Depreciation and Amortization % Revenue	4.4%	4.1%	4.2%	5.3%	4.6%	2.0%	2.2%	2.4%	2.7%	2.8%
Other Expenses (freight, export duties)	\$ (3.80)	\$ 61.70	\$ 161.30	\$ 151.50	\$ 67.20	\$ 155.80	\$ 157.79	\$ 169.37	\$ 169.52	\$ 184.20
Other Expenses % Revenue	-0.1%	1.6%	3.4%	4.1%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Total Operating Expenses	\$ 281.70	\$ 313.80	\$ 376.70	\$ 354.20	\$ 387.40	\$ 511.86	\$ 548.67	\$ 607.22	\$ 642.74	\$ 710.63
Total % Revenue	7.7%	8.5%	10.2%	9.6%	8.9%	6.6%	6.9%	7.2%	7.6%	7.7%

West Fraser Timber (NYSE:WFG)

Operating Model

Operating Assumptions

	2016A	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F
Income Statement										
Revenue	\$ 3,361.30	\$ 3,957.90	\$ 4,722.10	\$ 3,675.80	\$ 4,366.70	\$ 10,123.86	\$ 10,253.54	\$ 11,006.05	\$ 11,015.52	\$ 11,969.73
% Growth		17.7%	19.3%	-22.2%	18.8%	131.8%	1.3%	7.3%	0.1%	8.7%
COGS	\$ 2,719.30	\$ 2,911.80	\$ 3,356.70	\$ 3,289.90	\$ 3,092.50	\$ 7,810.49	\$ 7,910.54	\$ 8,491.10	\$ 8,498.41	\$ 9,234.58
% Growth		7.1%	15.3%	-2.0%	-6.0%	152.6%	1.3%	7.3%	0.1%	8.7%
Gross Profit	\$ 642.00	\$ 1,046.10	\$ 1,365.40	\$ 385.90	\$ 1,274.20	\$ 2,313.36	\$ 2,343.00	\$ 2,514.95	\$ 2,517.12	\$ 2,735.16
% Growth		62.9%	30.5%	-71.7%	230.2%	81.6%	1.3%	7.3%	0.1%	8.7%
Selling, General and Administration	\$ 132.90	\$ 151.90	\$ 178.30	\$ 159.00	\$ 184.40	\$ 314.23	\$ 318.26	\$ 341.61	\$ 341.91	\$ 371.53
% Growth		14.3%	17.4%	-10.8%	16.0%	70.4%	1.3%	7.3%	0.1%	8.7%
Depreciation and Amortization	\$ 148.80	\$ 161.90	\$ 198.40	\$ 195.20	\$ 203.00	\$ 197.63	\$ 230.42	\$ 265.61	\$ 300.83	\$ 339.10
% Growth		8.8%	22.5%	-1.6%	4.0%	-2.6%	16.6%	15.3%	13.3%	12.7%
Other Expenses (freight, export duties)	\$ (3.80)	\$ 61.70	\$ 161.30	\$ 151.50	\$ 67.20	\$ 155.80	\$ 157.79	\$ 169.37	\$ 169.52	\$ 184.20
% Growth		-1723.7%	161.4%	-6.1%	-55.6%	131.8%	1.3%	7.3%	0.1%	8.7%
Operating Income	\$ 364.10	\$ 670.60	\$ 827.40	\$ (119.80)	\$ 819.60	\$ 1,645.70	\$ 1,636.53	\$ 1,738.35	\$ 1,704.86	\$ 1,840.32
% Growth		84.2%	23.4%	-114.5%	-784.1%	100.8%	-0.6%	6.2%	-1.9%	7.9%
Interest Expense	\$ 18.10	\$ 18.50	\$ 26.20	\$ 33.20	\$ 32.10	\$ 35.74	\$ 35.74	\$ 35.74	\$ 35.74	\$ 35.74
% Debt	5.7%	3.6%	4.7%	4.1%	4.0%	4.4%	4.4%	4.4%	4.4%	4.4%
Foreign Exchange (Gain) Loss	\$ 9.10	\$ 19.30	\$ (67.20)	\$ 35.40	\$ 19.40	\$ -	\$ -	\$ -	\$ -	\$ -
% Revenue	0.3%	0.5%	-1.4%	1.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Non-operating (Income) Loss	\$ 1.50	\$ (19.30)	\$ 40.90	\$ (23.40)	\$ (9.70)	\$ (8.82)	\$ (8.93)	\$ (9.59)	\$ (9.60)	\$ (10.43)
% Revenue	0.0%	-0.5%	0.9%	-0.6%	-0.2%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%
Pre-tax Income	\$ 335.40	\$ 652.10	\$ 827.50	\$ (165.00)	\$ 777.80	\$ 1,618.78	\$ 1,609.72	\$ 1,712.20	\$ 1,678.71	\$ 1,815.01
% Growth		94.4%	26.9%	-119.9%	-571.4%	108.1%	-0.6%	6.4%	-2.0%	8.1%
Income Tax Expense	\$ 89.10	\$ 192.70	\$ 202.20	\$ (52.00)	\$ 198.50	\$ 404.69	\$ 402.43	\$ 428.05	\$ 419.68	\$ 453.75
% Pre-tax Income	26.6%	29.6%	24.4%	31.5%	25.5%	25.0%	25.0%	25.0%	25.0%	25.0%
Net Income	\$ 246.30	\$ 459.40	\$ 625.30	\$ (113.00)	\$ 579.30	\$ 1,214.08	\$ 1,207.29	\$ 1,284.15	\$ 1,259.03	\$ 1,361.26
% Growth		86.5%	36.1%	-118.1%	-612.7%	109.6%	-0.6%	6.4%	-2.0%	8.1%
EBITDA	\$ 512.90	\$ 832.50	\$ 1,025.80	\$ 75.40	\$ 1,022.60	\$ 1,843.33	\$ 1,866.95	\$ 2,003.96	\$ 2,005.69	\$ 2,179.43
% Growth		62%	23%	-93%	1256%	80%	1%	7%	0%	9%

	2016A	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F
Balance Sheet										
Assets										
Cash and Cash Equivalents	\$ 37.20	\$ 206.00	\$ 117.40	\$ 12.30	\$ 459.70	\$ 1,109.07	\$ 1,996.03	\$ 2,873.13	\$ 3,862.26	\$ 4,815.96
% of Revenue	1.1%	5.2%	2.5%	0.3%	10.5%	11.0%	19.5%	26.1%	35.1%	40.2%
Accounts Receivable	\$ 182.20	\$ 236.30	\$ 196.70	\$ 158.70	\$ 243.60	\$ 515.35	\$ 521.95	\$ 560.26	\$ 560.74	\$ 609.32
% of Revenue	5.4%	6.0%	4.2%	4.3%	5.6%	5.1%	5.1%	5.1%	5.1%	5.1%
Inventory	\$ 432.00	\$ 534.80	\$ 580.60	\$ 561.70	\$ 575.70	\$ 1,359.12	\$ 1,376.53	\$ 1,477.55	\$ 1,478.83	\$ 1,606.93
% of Revenue	12.9%	13.5%	12.3%	15.3%	13.2%	13.4%	13.4%	13.4%	13.4%	13.4%
Other Short-term Assets	\$ 46.10	\$ 53.50	\$ 92.50	\$ 151.00	\$ 53.30	\$ 53.30	\$ 53.30	\$ 53.30	\$ 53.30	\$ 53.30
% of Revenue	1.4%	1.4%	2.0%	4.1%	1.2%	0.5%	0.5%	0.5%	0.5%	0.4%
Property, Plant and Equipment	\$ 3,053.50	\$ 3,535.60	\$ 3,545.20	\$ 3,858.80	\$ 4,035.10	\$ 4,520.66	\$ 5,012.45	\$ 5,540.32	\$ 6,068.65	\$ 6,642.75
% of Revenue	90.8%	89.3%	75.1%	105.0%	92.4%	44.7%	48.9%	50.3%	55.1%	55.5%
Accumulated Depreciation	\$ 1,800.70	\$ 2,025.20	\$ 2,036.10	\$ 2,201.40	\$ 2,382.50	\$ 2,580.13	\$ 2,810.55	\$ 3,076.16	\$ 3,376.99	\$ 3,716.09
% of PPE	59.0%	57.3%	57.4%	57.0%	59.0%	57.1%	56.1%	55.5%	55.6%	55.9%
Intangibles	\$ 275.80	\$ 583.50	\$ 563.00	\$ 594.90	\$ 589.80	\$ 589.80	\$ 589.80	\$ 589.80	\$ 589.80	\$ 589.80
% of Revenue	8.2%	14.7%	11.9%	16.2%	13.5%	5.8%	5.8%	5.4%	5.4%	4.9%
Goodwill	\$ 264.70	\$ 562.80	\$ 545.40	\$ 554.80	\$ 556.90	\$ 556.90	\$ 556.90	\$ 556.90	\$ 556.90	\$ 556.90
% of Revenue	7.9%	14.2%	11.5%	15.1%	12.8%	5.5%	5.4%	5.1%	5.1%	4.7%
Other Long-term Assets	\$ 185.90	\$ (81.40)	\$ (88.10)	\$ (94.00)	\$ 340.60	\$ 340.60	\$ 340.60	\$ 340.60	\$ 340.60	\$ 340.60
% of Revenue	5.5%	-2.1%	-1.9%	-2.6%	7.8%	3.4%	3.3%	3.1%	3.1%	2.8%
Liabilities and Shareholder's Equity										
Payables	\$ 156.90	\$ 194.80	\$ 190.80	\$ 184.20	\$ 215.40	\$ 479.69	\$ 485.84	\$ 521.49	\$ 521.94	\$ 567.15
% of COGS	5.8%	6.7%	5.7%	5.6%	7.0%	6.1%	6.1%	6.1%	6.1%	6.1%
Accruals	\$ 140.50	\$ 240.30	\$ 163.00	\$ 118.70	\$ 269.40	\$ 269.40	\$ 269.40	\$ 269.40	\$ 269.40	\$ 269.40
% of COGS	5.2%	8.3%	4.9%	3.6%	8.7%	6.1%	6.1%	6.1%	6.1%	6.1%
Short-term Debt	\$ 11.20	\$ -	\$ 54.30	\$ 310.50	\$ 313.30	\$ 313.30	\$ 313.30	\$ 313.30	\$ 313.30	\$ 313.30
% of COGS	0.4%	0.0%	1.6%	9.4%	10.1%	4.0%	4.0%	3.7%	3.7%	3.4%
Other Short-term Liabilities	\$ 32.70	\$ 30.30	\$ 28.60	\$ 31.60	\$ 34.50	\$ 34.50	\$ 34.50	\$ 34.50	\$ 34.50	\$ 34.50
% of COGS	1.2%	1.0%	0.9%	1.0%	1.1%	0.4%	0.4%	0.4%	0.4%	0.4%
Long-term Debt	\$ 307.10	\$ 507.70	\$ 507.90	\$ 507.00	\$ 498.90	\$ 498.90	\$ 498.90	\$ 498.90	\$ 498.90	\$ 498.90
% of COGS	11.3%	17.4%	15.1%	15.4%	16.1%	6.4%	6.3%	5.9%	5.9%	5.4%
Other Long-term Liabilities	\$ 362.10	\$ 456.60	\$ 446.30	\$ 538.60	\$ 669.60	\$ 669.60	\$ 669.60	\$ 669.60	\$ 669.60	\$ 669.60
% of COGS	13.3%	15.7%	13.3%	16.4%	21.7%	8.6%	8.5%	7.9%	7.9%	7.3%
Common Stock	\$ 408.20	\$ 438.30	\$ 360.40	\$ 372.20	\$ 379.10	\$ 379.10	\$ 379.10	\$ 379.10	\$ 379.10	\$ 379.10
% of Revenue	12.1%	11.1%	7.6%	10.1%	8.7%	3.7%	3.7%	3.4%	3.4%	3.2%
Retained Earnings	\$ 1,146.50	\$ 1,651.60	\$ 1,640.50	\$ 1,432.40	\$ 2,009.70	\$ 3,737.88	\$ 4,904.07	\$ 6,147.12	\$ 7,365.06	\$ 8,685.21
% of Revenue	34.1%	41.7%	34.7%	39.0%	46.0%	36.9%	47.8%	55.9%	66.9%	72.6%
Other Equity	\$ 111.50	\$ 86.20	\$ 124.80	\$ 101.70	\$ 82.20	\$ 82.20	\$ 82.20	\$ 82.20	\$ 82.20	\$ 82.20
% of Revenue	3.3%	2.2%	2.6%	2.8%	1.9%	0.8%	0.8%	0.7%	0.7%	0.7%

Income Statement

	2016A	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F
Revenue	\$ 3,361	\$ 3,958	\$ 4,722	\$ 3,676	\$ 4,367	\$ 10,124	\$ 10,254	\$ 11,006	\$ 11,016	\$ 11,970
COGS	2719	2912	3357	3290	3093	7810	7911	8491	8498	9235
Gross Profit	\$ 642	\$ 1,046	\$ 1,365	\$ 386	\$ 1,274	\$ 2,313	\$ 2,343	\$ 2,515	\$ 2,517	\$ 2,735
<i>Gross Profit Margin</i>	19.1%	26.4%	28.9%	10.5%	29.2%	22.9%	22.9%	22.9%	22.9%	22.9%
Operating Expenses										
Selling, General and Administration	\$ 133	\$ 152	\$ 178	\$ 159	\$ 184	\$ 314	\$ 318	\$ 342	\$ 342	\$ 372
Depreciation and Amortization	149	162	198	195	203	198	230	266	301	339
Other Expenses (freight, export duties)	-4	62	161	152	67	156	158	169	170	184
Operating Profit	\$ 364	\$ 671	\$ 827	\$ (120)	\$ 820	\$ 1,646	\$ 1,637	\$ 1,738	\$ 1,705	\$ 1,840
<i>Operating Margin</i>	10.8%	16.9%	17.5%	-3.3%	18.8%	16.3%	16.0%	15.8%	15.5%	15.4%
Non-operating Expenses										
Interest Expense	\$ 18	\$ 19	\$ 26	\$ 33	\$ 32	\$ 36	\$ 36	\$ 36	\$ 36	\$ 36
Foreign Exchange (Gain) Loss	9	19	-67	35	19	0	0	0	0	0
Other Non-operating (Income) Loss	2	-19	41	-23	-10	-9	-9	-10	-10	-10
Pre-tax Income	\$ 335	\$ 652	\$ 828	\$ (165)	\$ 778	\$ 1,619	\$ 1,610	\$ 1,712	\$ 1,679	\$ 1,815
Income Tax Expense	\$ 89	\$ 193	\$ 202	\$ (52)	\$ 199	\$ 405	\$ 402	\$ 428	\$ 420	\$ 454
Net Income	\$ 246	\$ 459	\$ 625	\$ (113)	\$ 579	\$ 1,214	\$ 1,207	\$ 1,284	\$ 1,259	\$ 1,361
<i>Net Profit Margin</i>	7.3%	11.6%	13.2%	-3.1%	13.3%	12.0%	11.8%	11.7%	11.4%	11.4%
EBITDA	\$ 513	\$ 833	\$ 1,026	\$ 75	\$ 1,023	\$ 1,843	\$ 1,867	\$ 2,004	\$ 2,006	\$ 2,179
<i>EBITDA Margin</i>	15.3%	21.0%	21.7%	2.1%	23.4%	18.2%	18.2%	18.2%	18.2%	18.2%

Balance Sheet

	2016A	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F
Assets										
Current Assets										
Cash and Cash Equivalents	\$ 37	\$ 206	\$ 117	\$ 12	\$ 460	\$ 1,109	\$ 1,996	\$ 2,873	\$ 3,862	\$ 4,816
Accounts Receivable	\$ 182	\$ 236	\$ 197	\$ 159	\$ 244	\$ 515	\$ 522	\$ 560	\$ 561	\$ 609
Inventory	\$ 432	\$ 535	\$ 581	\$ 562	\$ 576	\$ 1,359	\$ 1,377	\$ 1,478	\$ 1,479	\$ 1,607
Other Short-term Assets	\$ 46	\$ 54	\$ 93	\$ 151	\$ 53	\$ 53	\$ 53	\$ 53	\$ 53	\$ 53
Total Current Assets	\$ 698	\$ 1,031	\$ 987	\$ 884	\$ 1,332	\$ 3,037	\$ 3,948	\$ 4,964	\$ 5,955	\$ 7,086
Non-current Assets										
Property, Plant and Equipment	\$ 3,054	\$ 3,536	\$ 3,545	\$ 3,859	\$ 4,035	\$ 4,521	\$ 5,012	\$ 5,540	\$ 6,069	\$ 6,643
Accumulated Depreciation	\$ (1,801)	\$ (2,025)	\$ (2,036)	\$ (2,201)	\$ (2,383)	\$ (2,580)	\$ (2,811)	\$ (3,076)	\$ (3,377)	\$ (3,716)
Intangibles	\$ 276	\$ 584	\$ 563	\$ 595	\$ 590	\$ 590	\$ 590	\$ 590	\$ 590	\$ 590
Goodwill	\$ 265	\$ 563	\$ 545	\$ 555	\$ 557	\$ 557	\$ 557	\$ 557	\$ 557	\$ 557
Other Long-term Assets	\$ 186	\$ (81)	\$ (88)	\$ (94)	\$ 341	\$ 341	\$ 341	\$ 341	\$ 341	\$ 341
Total Non-current Assets	\$ 1,979	\$ 2,575	\$ 2,529	\$ 2,713	\$ 3,140	\$ 3,428	\$ 3,689	\$ 3,951	\$ 4,179	\$ 4,414
Total Assets	\$ 2,677	\$ 3,606	\$ 3,517	\$ 3,597	\$ 4,472	\$ 6,465	\$ 7,637	\$ 8,916	\$ 10,134	\$ 11,499
Liabilities and Shareholder's Equity										
Current Liabilities										
Payables	\$ 157	\$ 195	\$ 191	\$ 184	\$ 215	\$ 480	\$ 486	\$ 521	\$ 522	\$ 567
Accruals	\$ 141	\$ 240	\$ 163	\$ 119	\$ 269	\$ 269	\$ 269	\$ 269	\$ 269	\$ 269
Short-term Debt	\$ 11	\$ -	\$ 54	\$ 311	\$ 313	\$ 313	\$ 313	\$ 313	\$ 313	\$ 313
Other Short-term Liabilities	\$ 33	\$ 30	\$ 29	\$ 32	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35
Total Current Liabilities	\$ 341	\$ 465	\$ 437	\$ 645	\$ 833	\$ 1,097	\$ 1,103	\$ 1,139	\$ 1,139	\$ 1,184
Non-current Liabilities										
Long-term Debt	\$ 307	\$ 508	\$ 508	\$ 507	\$ 499	\$ 499	\$ 499	\$ 499	\$ 499	\$ 499
Other Long-term Liabilities	\$ 362	\$ 457	\$ 446	\$ 539	\$ 670	\$ 670	\$ 670	\$ 670	\$ 670	\$ 670
Total Non-current Liabilities	\$ 669	\$ 964	\$ 954	\$ 1,046	\$ 1,169	\$ 1,169	\$ 1,169	\$ 1,169	\$ 1,169	\$ 1,169
Shareholder's Equity										
Common Stock	\$ 408	\$ 438	\$ 360	\$ 372	\$ 379	\$ 379	\$ 379	\$ 379	\$ 379	\$ 379
Retained Earnings	\$ 1,147	\$ 1,652	\$ 1,641	\$ 1,432	\$ 2,010	\$ 3,738	\$ 4,904	\$ 6,147	\$ 7,365	\$ 8,685
Other Equity	\$ 112	\$ 86	\$ 125	\$ 102	\$ 82	\$ 82	\$ 82	\$ 82	\$ 82	\$ 82
Total Shareholder's Equity	\$ 1,666	\$ 2,176	\$ 2,126	\$ 1,906	\$ 2,471	\$ 4,199	\$ 5,365	\$ 6,608	\$ 7,826	\$ 9,147
Liabilities and Shareholder's Equity	\$ 2,677	\$ 3,606	\$ 3,517	\$ 3,597	\$ 4,472	\$ 6,465	\$ 7,637	\$ 8,916	\$ 10,134	\$ 11,499
Check	0	0	0	0	0	0	0	0	0	0

Cash Flow Statement

	2016A	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F
Cash from Operating Activities										
Net Income	\$ 459	\$ 625	\$ (113)	\$ 579	\$ 1,214	\$ 1,207	\$ 1,284	\$ 1,259	\$ 1,361	\$ 1,361
Other Non-Cash Expenses	\$ (71)	\$ (267)	\$ (45)	\$ 198	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Depreciation and Amortization	\$ 162	\$ 198	\$ 195	\$ 203	\$ 198	\$ 230	\$ 266	\$ 301	\$ 339	\$ 339
Changes in Working Capital	\$ 145	\$ 145	\$ 49	\$ (13)	\$ (791)	\$ (18)	\$ (104)	\$ (1)	\$ (131)	\$ (131)
Cash from Operating Activities	\$ 695	\$ 702	\$ 87	\$ 967	\$ 621	\$ 1,420	\$ 1,446	\$ 1,559	\$ 1,569	\$ 1,569
Cash from Investing Activities										
Capex	\$ (259)	\$ (286)	\$ (299)	\$ (169)	\$ (486)	\$ (492)	\$ (528)	\$ (528)	\$ (574)	\$ (574)
Acquisitions	\$ (406)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Investing Activities	\$ 6	\$ 12	\$ 4	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash from Investing Activities	\$ (658)	\$ (273)	\$ (295)	\$ (166)	\$ (486)	\$ (492)	\$ (528)	\$ (528)	\$ (574)	\$ (574)
Cash from Financing Activities										
Debt Issuance (Repayment)	\$ 193	\$ 49	\$ 237	\$ (281)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dividends Paid	\$ (22)	\$ (29)	\$ (42)	\$ (41)	\$ (514)	\$ 41	\$ 41	\$ 41	\$ 41	\$ 41
Sale (Repurchase) of Equity	\$ (13)	\$ (521)	\$ (61)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Financing Activities	\$ (19)	\$ (25)	\$ (36)	\$ (33)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash from Financing Activities	\$ 140	\$ (526)	\$ 98	\$ (355)	\$ 514	\$ (41)	\$ (41)	\$ (41)	\$ (41)	\$ (41)
Effect of Foreign Exchange	\$ (5)	\$ 12	\$ (1)	\$ (8)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Opening Cash Balance	37	206	117	117	12	460	1109	1996	2873	3862
Net Increase (Decrease)	172	-86	-111	438	438	649	887	877	989	954
Closing Cash Balance	\$ 37	\$ 206	\$ 117	\$ 12	\$ 460	\$ 1,109	\$ 1,996	\$ 2,873	\$ 3,862	\$ 4,816
Check	0	0	0	0	0	0	0	0	0	0

PPE & Depreciation Schedule

	2016A	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F						
Capex		482.10	9.60	313.60	176.30	485.56	491.78	527.88	528.33	574.10						
Capex (as % Revenue)		0.14	0.00	0.07	0.05	0.05	0.05	0.05	0.05	0.05						
Open Net PPE		3053.50	3697.50	3905.50	4414.30	4793.60	5476.79	6199.00	6992.48	7821.64						
Add Capex		482.10	9.60	313.60	176.30	485.56	491.78	527.88	528.33	574.10						
Less Depreciation		161.90	198.40	195.20	203.00	197.63	230.42	265.61	300.83	339.10						
Closing Balance	3053.50	3697.50	3905.50	4414.30	4793.60	5476.79	6199.00	6992.48	7821.64	8734.84						
<table border="1"> <tr> <td>Estimated Useful Live Existing Assets</td> <td>10</td> </tr> <tr> <td>Estimated Useful Life New Assets</td> <td>15</td> </tr> <tr> <td>PPE End 2020</td> <td>\$ 1,653</td> </tr> </table>											Estimated Useful Live Existing Assets	10	Estimated Useful Life New Assets	15	PPE End 2020	\$ 1,653
Estimated Useful Live Existing Assets	10															
Estimated Useful Life New Assets	15															
PPE End 2020	\$ 1,653															
Depreciation (% PPE)		4.6%	5.6%	5.1%	5.0%	4.4%	4.6%	4.8%	5.0%	5.1%						
PPE End 2020		161.90	198.40	195.20	203.00	165.26	165.26	165.26	165.26	165.26						
Capex 2020						32.37	32.37	32.37	32.37	32.37						
Capex 2021							32.79	32.79	32.79	32.79						
Capex 2022								35.19	35.19	35.19						
Capex 2023									35.22	35.22						
Capex 2024										38.27						
Capex 2025																
Total Depreciation		161.90	198.40	195.20	203.00	198	230	266	301	339						

Shareholder's Equity

	2016A	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F
Retained Earnings Opening Balance		1146.50	1639.70	2119.90	2000.30	2564.90	3737.88	4904.07	6147.12	7365.06
Net Income		459.40	625.30	-113.00	579.30	1214.08	1207.29	1284.15	1259.03	1361.26
Stock Issuance (Repurchases)		30.10	-77.90	11.80	6.90	0.00	0.00	0.00	0.00	0.00
Dividends Paid		-21.60	-28.60	-41.50	-41.10	-41.10	-41.10	-41.10	-41.10	-41.10
Other Equity		25.30	-38.60	23.10	19.50	0.00	0.00	0.00	0.00	0.00
Retained Earnings Closing Balance	1146.50	1639.70	2119.90	2000.30	2564.90	3737.88	4904.07	6147.12	7365.06	8685.21

West Fraser Timber (NYSE:WFG)

Discounted Cash Flow

Discounted Cash Flow

	2021F	2022F	2023F	2024F	2025F	TV
	2021-01-11	2022-01-11	2023-01-11	2024-01-11	2025-01-11	2025-01-11
Enterprise Value						
EBIT	\$ 1,645.70	\$ 1,636.53	\$ 1,738.35	\$ 1,704.86	\$ 1,840.32	
EBIT(1-t)	\$ 1,234.28	\$ 1,227.40	\$ 1,303.77	\$ 1,278.64	\$ 1,380.24	
Depreciation and Amortization	\$ 197.63	\$ 230.42	\$ 265.61	\$ 300.83	\$ 339.10	
Capex	\$ 485.56	\$ 491.78	\$ 527.88	\$ 528.33	\$ 574.10	
Change in Net Working Capital	\$ (790.88)	\$ (17.87)	\$ (103.67)	\$ (1.31)	\$ (131.46)	
FCFF	\$ 1,737.23	\$ 983.90	\$ 1,145.17	\$ 1,052.45	\$ 1,276.71	
TV Gordon Growth	\$ 1,737.23	\$ 983.90	\$ 1,145.17	\$ 1,052.45	\$ 1,276.71	\$ 10,762.60
TV Multiples	\$ 1,737.23	\$ 983.90	\$ 1,145.17	\$ 1,052.45	\$ 1,276.71	\$ 10,897.14

Assumptions

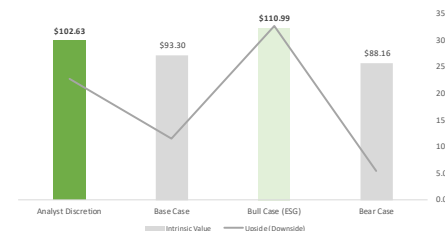
Current Price	83.64
Fully Diluted Shares o/s	110
Transaction Date	2021-01-11
Discount Rate	14.1%
Growth Rate	2.0%
EV/EBITDA multiple	5x
Less: Debt	\$ 498.90
Plus: Cash	\$ 459.70

Results

Gordon Growth	
Enterprise Value	\$ 11,288.46
Equity Value	\$ 11,249.26
Equity Value per Share	\$ 102.27
Upside (Downside)	22.27%
Multiples Method	
Enterprise Value	\$ 11,367.81
Equity Value	\$ 11,328.61
Equity Value per Share	\$ 102.99
Upside (Downside)	23.13%

Scenario Summaries

Analyst Discretion		Bull Case (ESG)	
Gordon Growth	\$ 102.27	Gordon Growth	\$ 110.67
Multiples Method	\$ 102.99	Multiples Method	\$ 111.31
Intrinsic Value	\$ 102.63	Intrinsic Value	\$ 110.99
Upside (Downside)	22.7%	Upside (Downside)	32.7%
Base Case		Bear Case	
Gordon Growth	\$ 90.90	Gordon Growth	\$ 85.66
Multiples Method	\$ 95.69	Multiples Method	\$ 90.67
Intrinsic Value	\$ 93.30	Intrinsic Value	\$ 88.16
Upside (Downside)	11.5%	Upside (Downside)	5.4%



Target Price	\$ 102.63
Upside (Downside)	22.7%

West Fraser Timber (NYSE:WFG)

Relative Valuation

Relative Valuation

Name	Ticker	Market Data				Forward Financial Data				Forward Valuation		
		Price	Shares	Market Cap	Debt	EV	Sales	EBITDA	Earnings	EV/Sales	EV/EBITDA	P/E
CANFOR CORP	CFP CN	21.58	124.64	2689.83	192.87	2882.70	6520.20	871.87	579.80	0.4x	3.3x	4.6x
WESTERN FOREST PRODUCTS INC	WEF CN	1.50	346.29	519.43	11.03	530.46	1244.00	141.62	87.55	0.4x	3.7x	5.9x
INTERFOR CORP	IFP CN	23.87	63.29	1510.79	311.49	1822.28	2882.25	472.06	311.33	0.6x	3.9x	4.9x
WEYERHAEUSER CO	WY US	37.55	749.05	28126.64	5100.00	33226.64	8731.50	2451.00	1320.00	3.8x	13.6x	21.3x
STELLA-JONES INC	SJ CN	34.06	64.49	2196.38	474.50	2670.88	2604.38	309.89	212.71	1.0x	8.6x	10.3x
25th Percentile		21.58	64.49	1510.79	192.87	1822.28	2604.38	309.89	212.71	0.4x	3.7x	4.9x
Median		23.87	124.64	2196.38	311.49	2670.88	2882.25	472.06	311.33	0.6x	3.9x	5.9x
75th Percentile		34.06	346.29	2689.83	474.50	2882.70	6520.20	871.87	579.80	1.0x	8.6x	10.3x

WFG Forward Data

Sales	\$ 10,123.86
EBITDA	\$ 1,843.33
Earnings	\$ 1,214.08

Valuation

EV/Sales	\$ 6,361.54
EBITDA	\$ 7,076.58
Earnings	\$ 7,203.12
Equity Value	\$ 6,880.41
Market Value	\$ 62.55
Upside (Downside)	\$ 81.26

ESG-Adjustments

Name	Ticker	GHG Data (thousands metric tonnes)					Forward Valuation	GHG/Sales
		Reported		Estimated		Forward Total		
		Scope 1	Scope 2	Forward Scope 1	Forward Scope 2			
CANFOR CORP	CFP CN	4.82	0.11	4.82	0.10	4.92	0.00	
WESTERN FOREST PRODUCTS INC	WEF CN			196.97	121.70	318.67	0.26	
INTERFOR CORP	IFP CN			707.58	87.29	794.87	0.28	
WEYERHAEUSER CO	WY US	0.65	0.09	397.29	701.89	1099.18	0.13	
STELLA-JONES INC	SJ CN	0.38	0.64	107.85	22.62	130.47	0.05	
25th Percentile		0.52	0.10	107.85	22.62	130.47	0.05x	
Median		0.65	0.11	196.97	87.29	318.67	0.13x	
75th Percentile		2.74	0.37	397.29	121.70	794.87	0.26x	

WFG Forward Data

Forward Scope 1	0.59
Forward Scope 2	1.02
Forward Total	1.61

ESG-Adjusted Valuation

EV/Sales	\$ 10,343.16
EBITDA	\$ 15,848.14
Earnings	\$ 12,536.29
Enterprise Value	\$ 12,909.20
Market Value	\$ 117.36
Upside (Downside)	\$ 153.34

Results

Valuation	\$ 62.55	25%
ESG-Adjusted Valuation	\$ 117.36	75%

Target Price	\$ 103.65
Upside (Downside)	23.9%

West Fraser Timber (NYSE:WFG)

WACC Calculation

Inputs

Risk-Free Rate	1.40%	Canada 5-Year Bond Yield as of 11/10/2021
Equity Risk Premium	7.68%	Bloomberg's Canada Market Risk Premium as of 11/10/2021
Pre-tax Cost of Debt	4.35%	Weighted Average Fixed Coupon as of 09/01/21
5 Year Average Tax Rate	27.52%	Calculated below

Results

WACC - Calculated	14.1%
WACC - Bloomberg	14.2%
Difference	-0.1%

Unlevered Beta Calculation

Name	Ticker	Levered Beta	Debt (\$USD million)	Debt %	Equity (\$USD million)	Equity %	5-Year Average Tax Rate	Unlevered Beta
CANFOR CORP	CFP CN	2.06	192.87	6.7%	2689.83	93.3%	24.2%	1.96
WESTERN FOREST PRODUCTS INC	WEF CN	1.28	11.03	2.1%	519.43	97.9%	4.0%	1.25
INTERFOR CORP	IFP CN	2.18	311.49	17.1%	1510.79	82.9%	17.2%	1.86
WEYERHAEUSER CO	WY US	1.94	5100.00	15.3%	28126.64	84.7%	13.9%	1.68
STELLA-JONES INC	SJ CN	0.94	474.50	17.8%	2196.38	82.2%	23.5%	0.81
Average		1.68	\$ 1,217.98	11.8%	\$ 7,008.62	88.2%		1.51
West Fraser Timber	WFG	2.063						