Sawmill TQ By The Beck Group & ResourceWise

ResourceWise®

Better data. Better intelligence. Better decisions.

resourcewise.com

- Established in 1981

- Headquartered in Portland, Oregon

- North American focus, but global reach

- Mission is helping clients achieve better results

- More than 400 past clients including:
  - Public and private multi-national forest products corporations
  - Family owned and independently owned mid-sized forest products businesses
  - Federal, state, and local government agencies
  - Environmental organizations
  - Industry associations
  - Small entrepreneurs

- Many repeat clients

- Practical, cost effective approach

- **Forest products industry mill benchmarking leader**

- **More than 50 benchmarking studies completed since 1995**

- **Benchmarking experience in nearly all forest products sectors including:**

  - Softwood sawmills in: US South, Western North America Dimension, Stud Mills

  - Hardwood mills across North America

  - Pine shop and board mills in Western US

  - Cedar and redwood mills in Western US

  - Veneer/Plywood in: US South, Western US, and Western Canada

  - Composite panels (MDF and Particleboard) in North America

  - Oriented Strand Board in North America

- **Proven methodology for providing "apples to apples" comparisons in all key financial and operational metrics**

- **Extensive list of past clients**

About ResourceWise

ResourceWise was founded in 2021 to unify a portfolio of commodity price reporting companies with proprietary datasets and deep expertise in the forest products, low-carbon fuels, biomaterials and petrochemicals industries.

For more than a decade, our legacy brands have focused on one mission: to help our customers make exponentially better decisions by providing them with the most accurate data and analytics available to our markets, which we supplement with high-value strategic consulting based on both our data and our decades-long experience.

Because the markets we serve are complex, volatile and energy-intensive, we are increasingly being asked to use the data and experience we have spent decades compiling to help our customers navigate the pivot to a lower carbon, more circular economy that is currently underway.

Our Values

We work hard, with a purpose, to achieve personal, professional and corporate goals.

We promote self-determination and accountability as the best means to achieve these goals.

We value integrity and fairness.

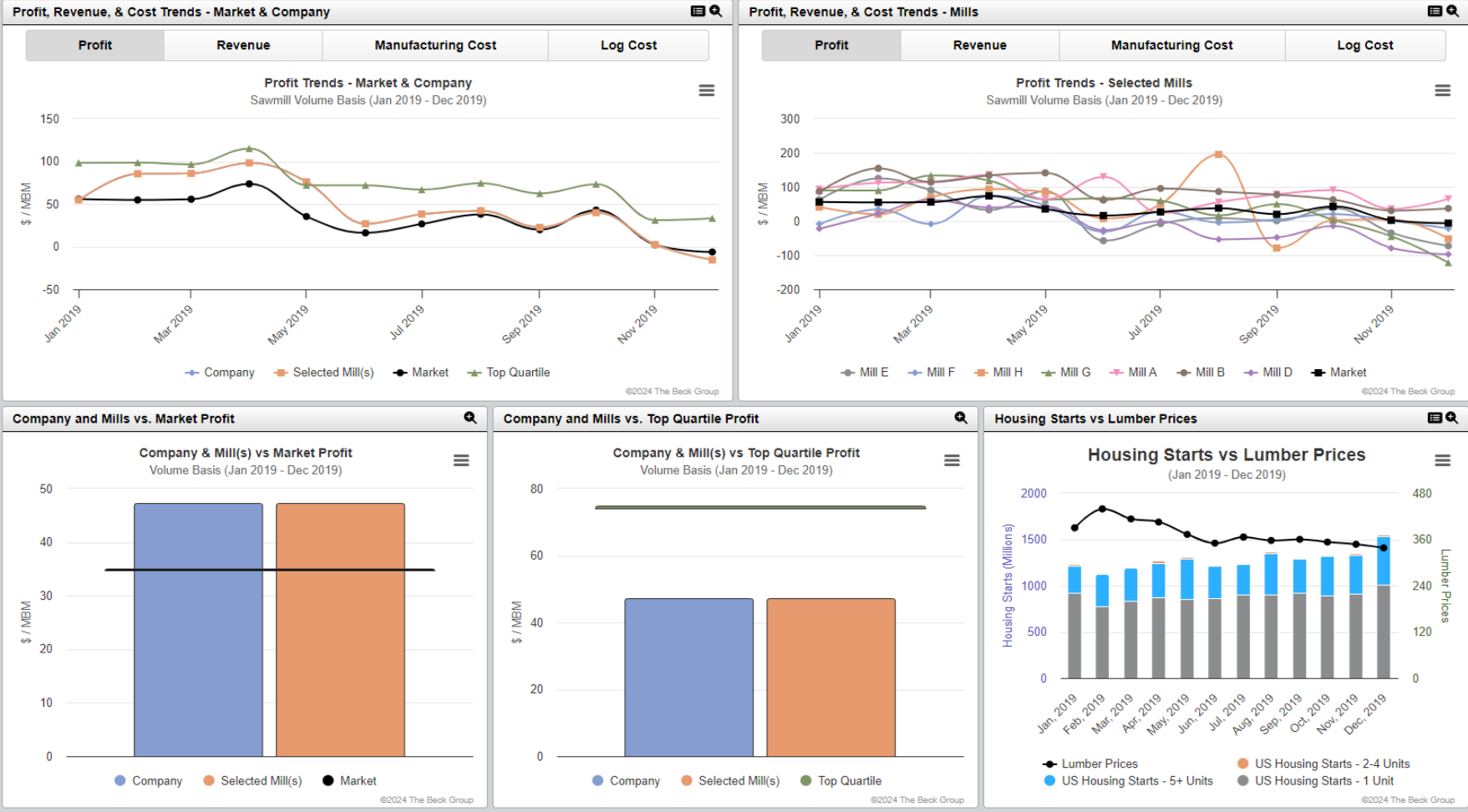**We believe in continual learning** and innovation.

We encourage freedom and self-expression to enhance creativity and problem solving.

We foster an interconnected world by valuing global diversity and collaboration.
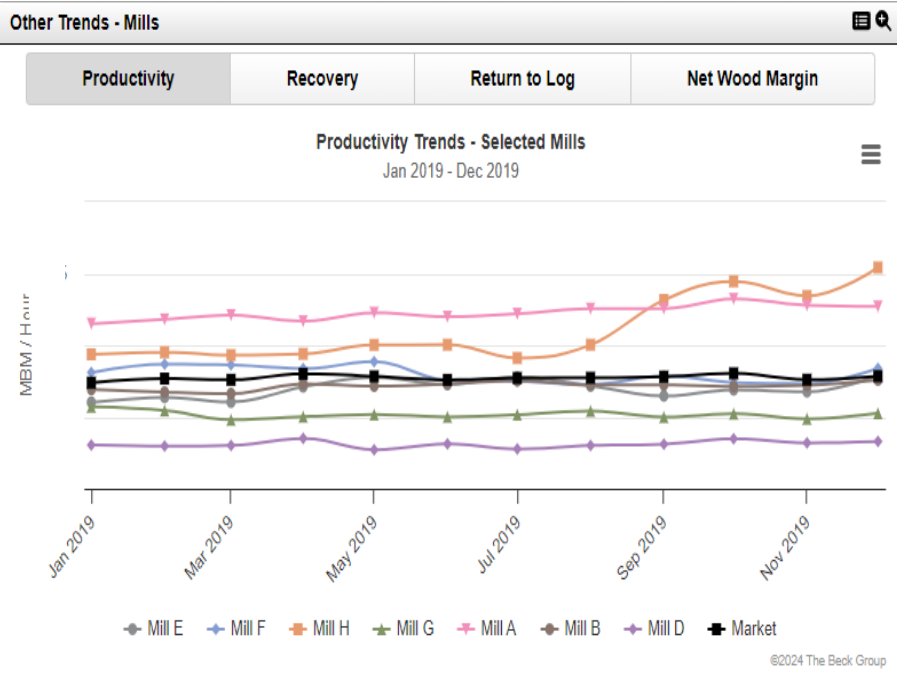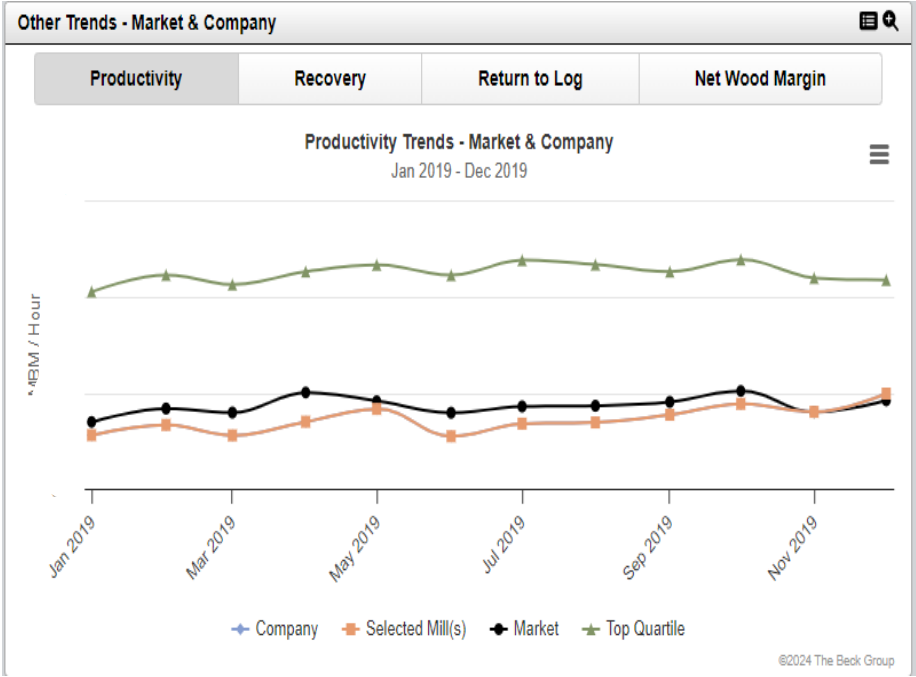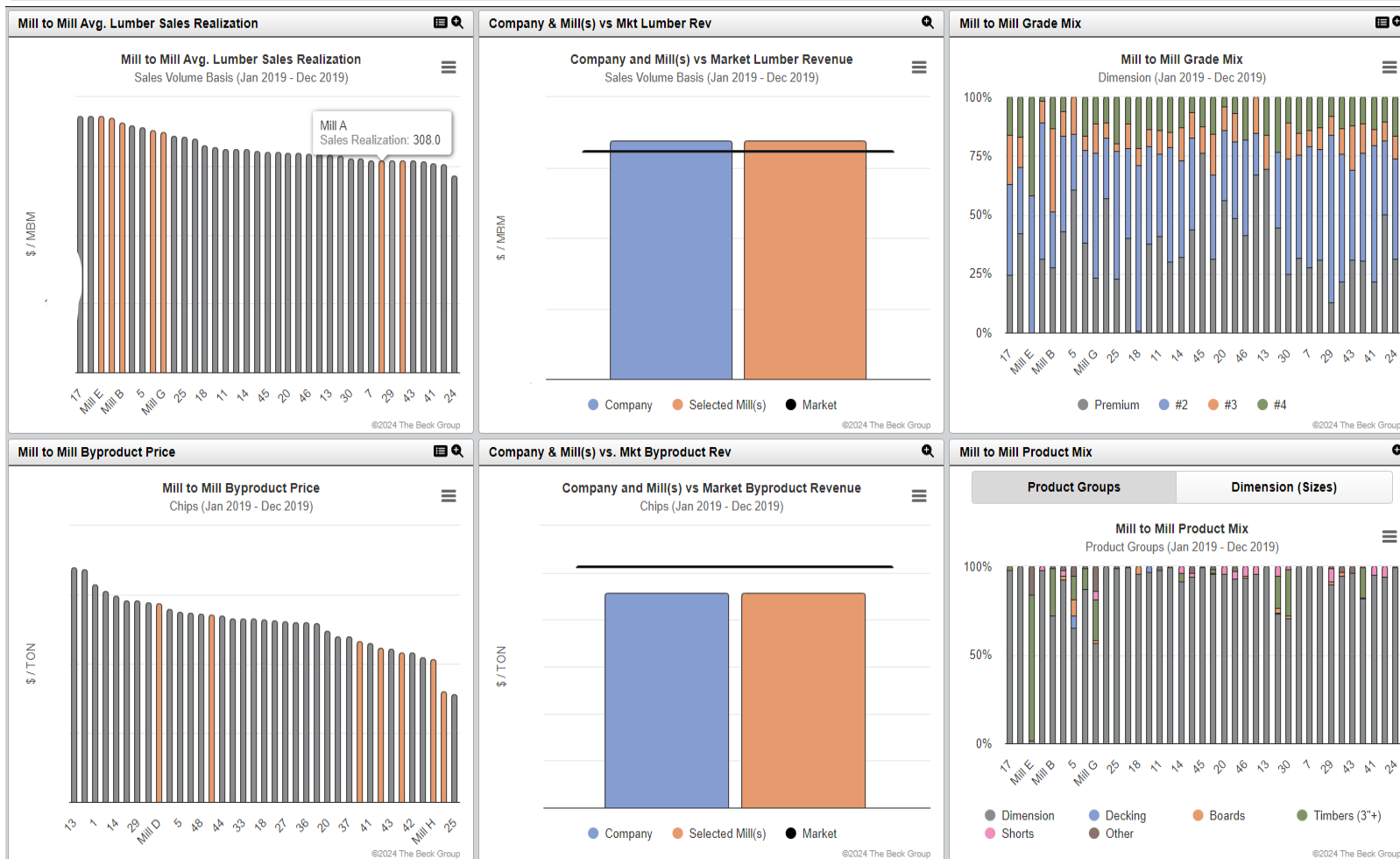
Sawmill TQ Dashboard

Dashboard is the main landing page for Sawmill TQ™. It contains:

- Higher level financial and operational performance data
- Comparison of mill/company performance against the Survey Average and against the Top Quartile
- Data displayed on Time Series basis

Sawmill TQ Dashboard

Sawmill TQ Revenue View

Revenue View contains lumber and by-product sales realizations; grade mix (% in grade); size mix (% in size), product groups.

- Data on this page is displayed on Mill-to-Mill comparison basis.

- Note: in this case, the company's seven mills are identified in stacked bar graph by a different color; all other participating mills are identified with only a number to maintain **anonymity** and **confidentiality.**

# Sawmill TQ Manufacturing Costs
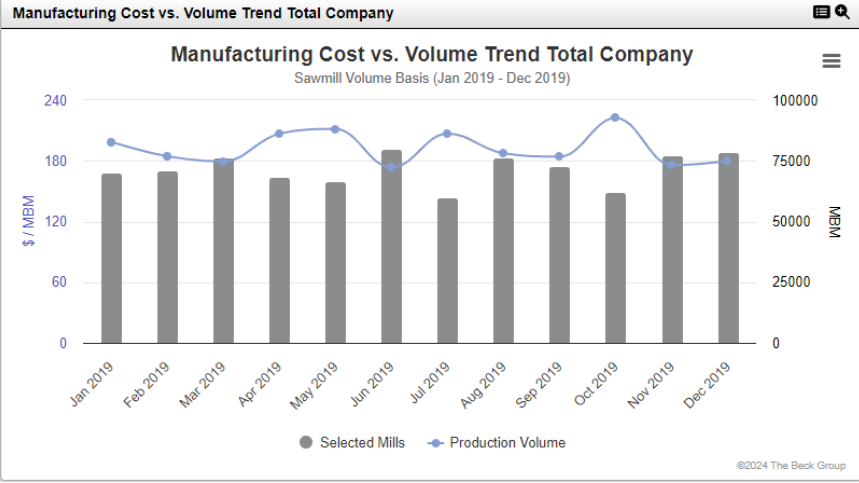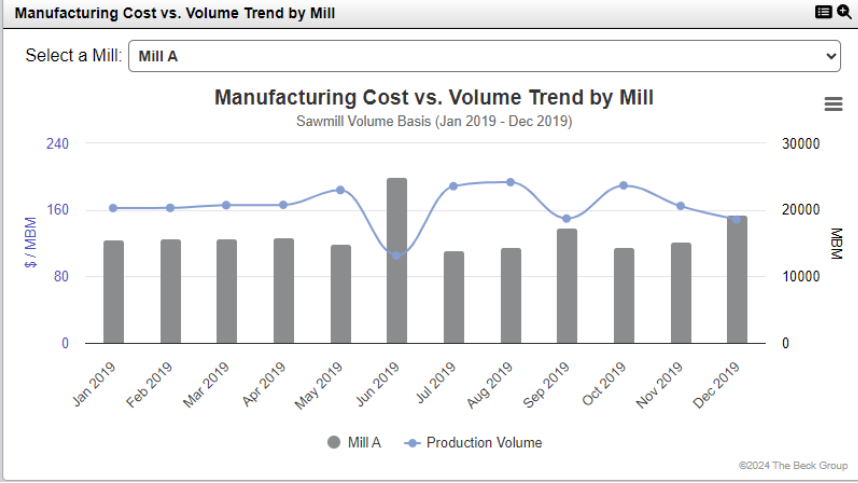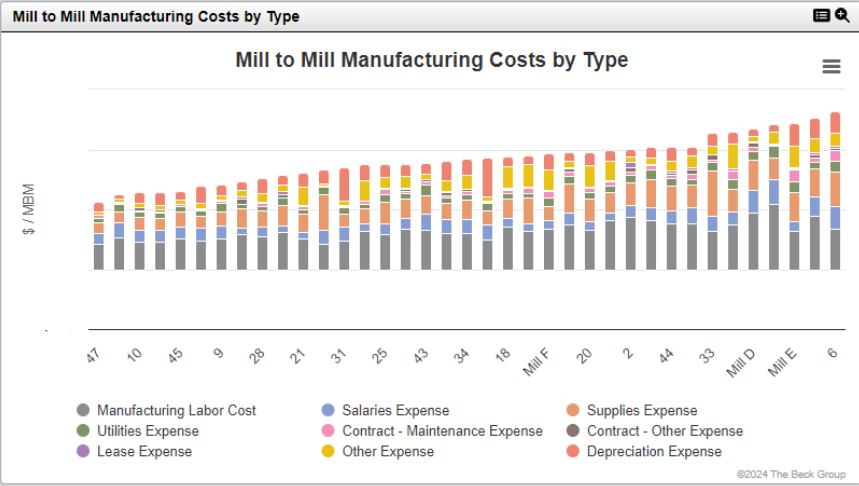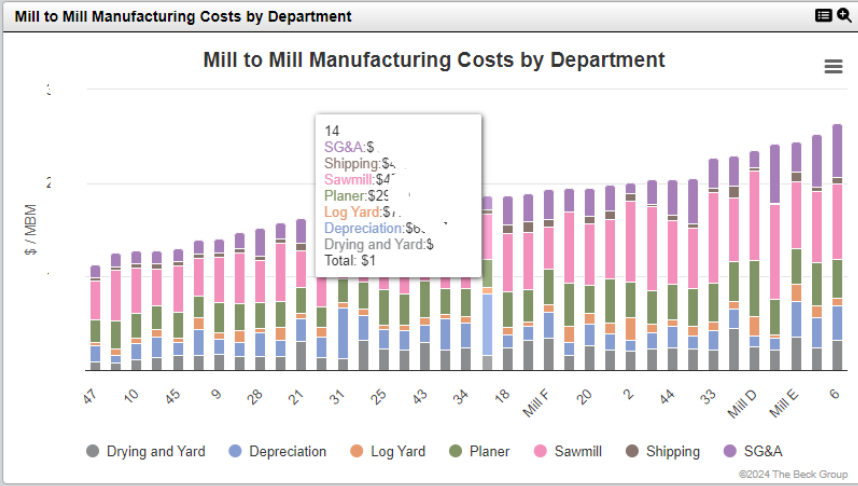
Manufacturing Cost View contains:

- Manufacturing costs categorized by **Department** and by **Natural Expense Category**

- Mill-to-Mill comparison of manufacturing costs among all participating mills

- For detailed analysis of costs, a single department can be selected; then costs within the selected department are reported by Natural Expense Category

Sawmill TQ Log Costs
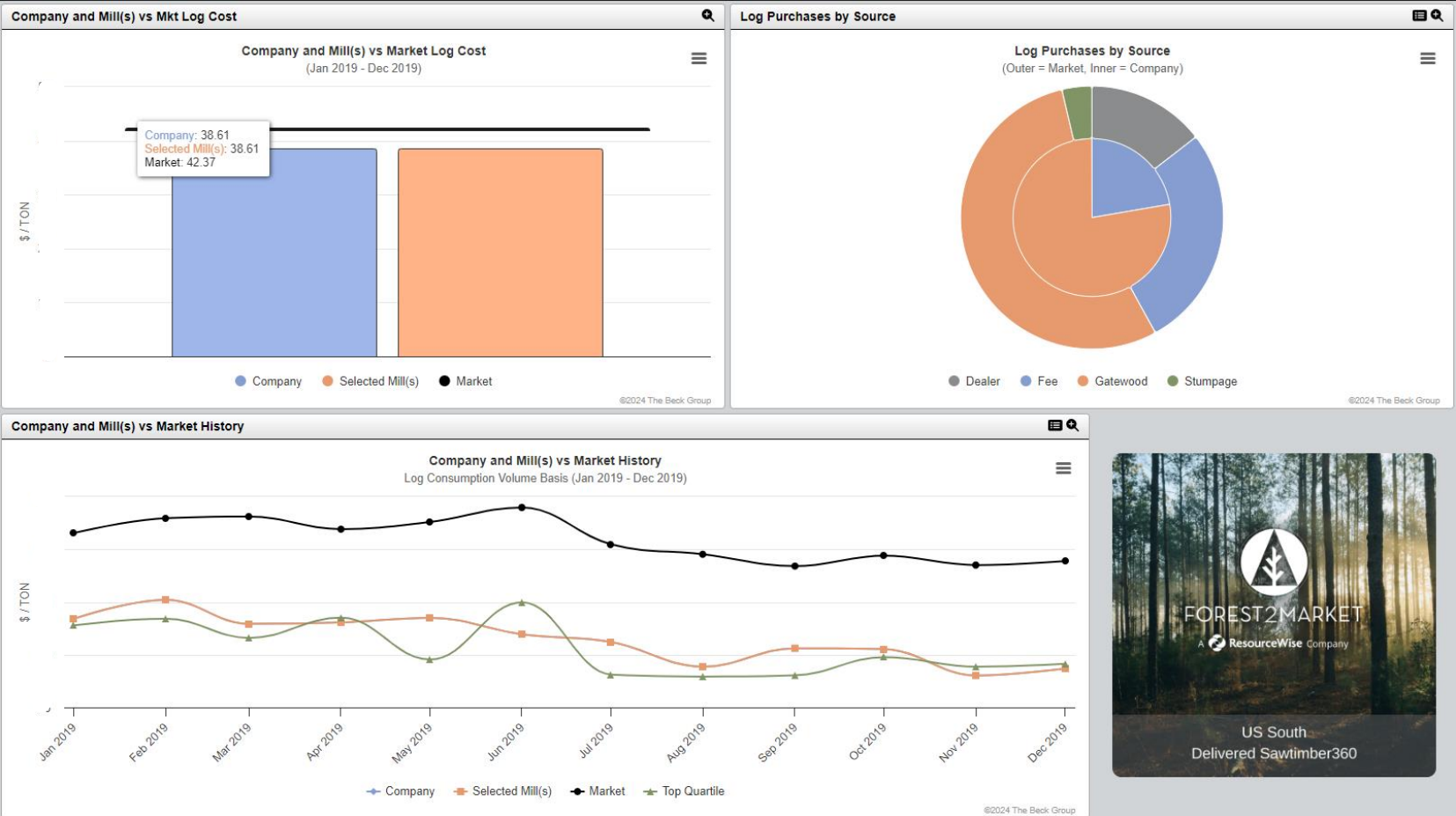
Log Cost View contains:

- Comparison of company and selected company mill to market log cost.
- Comparison of company to market log purchases by source.
- Comparison of company and selected mill to market log price history

Sawmill TQ Yields
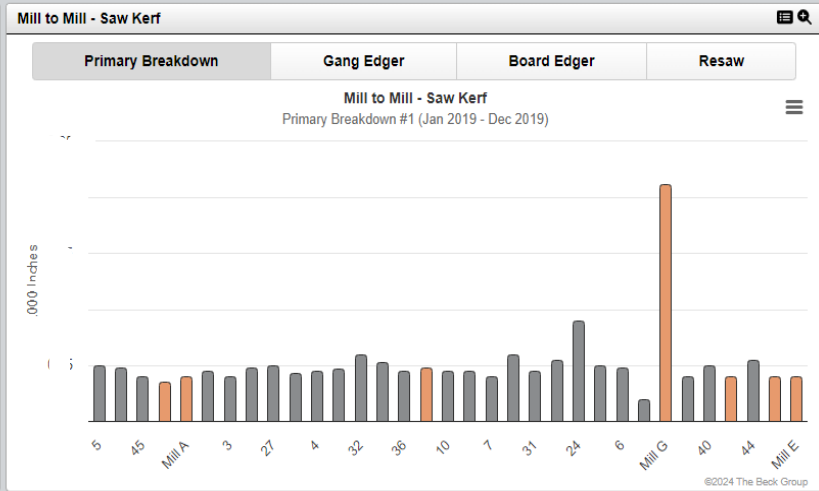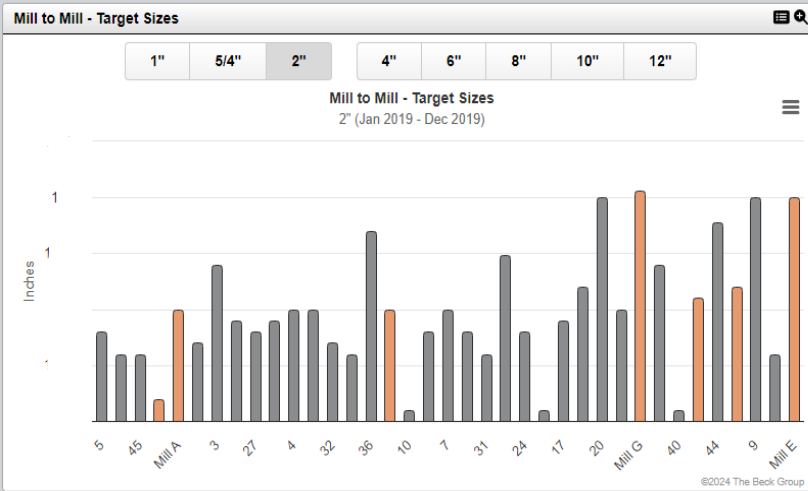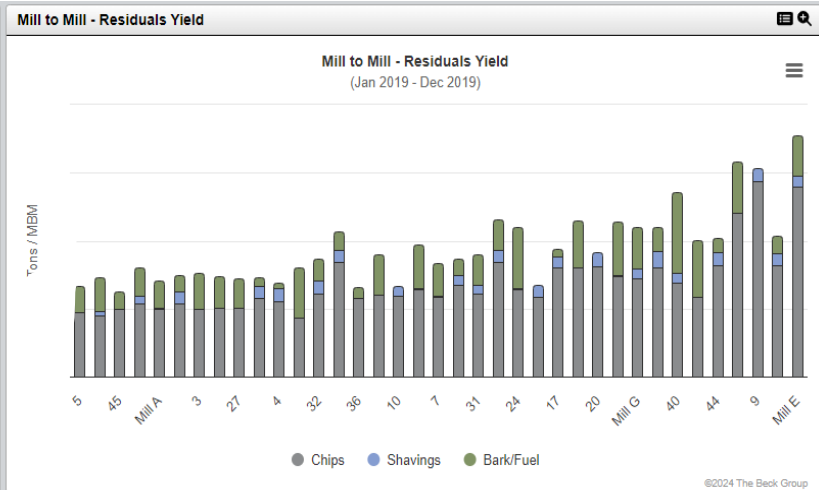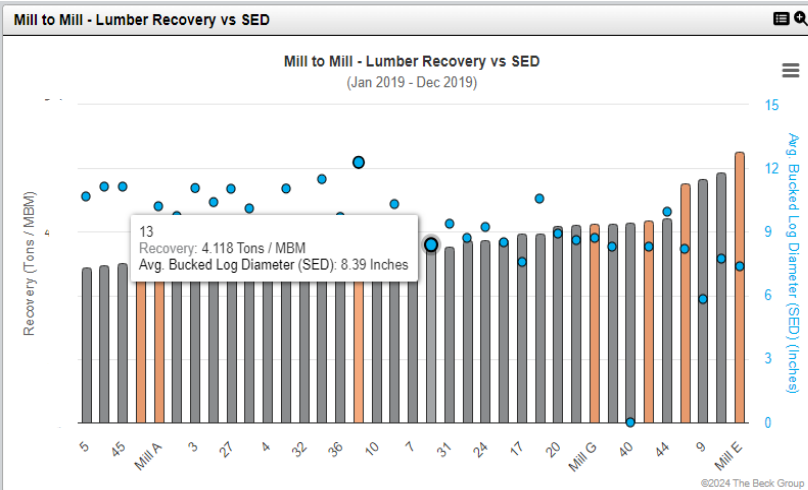
Yields View contains:

- Comparison of company mills lumber recovery vs SED.

- Comparison of company mills residuals yield.

- Comparison of company mills target sizes to market.

- Comparison of company mills saw kerf to market.

Sawmill TQ Productivity

Productivity View contains:

- Company mills comparison of productivity (MBM/Labor Hr) to market.

- Company mills comparison productivity per hour by production component to market.

- Company mills comparison head count by department to market.

- Company mills comparison inventory (days on hand) to the market.
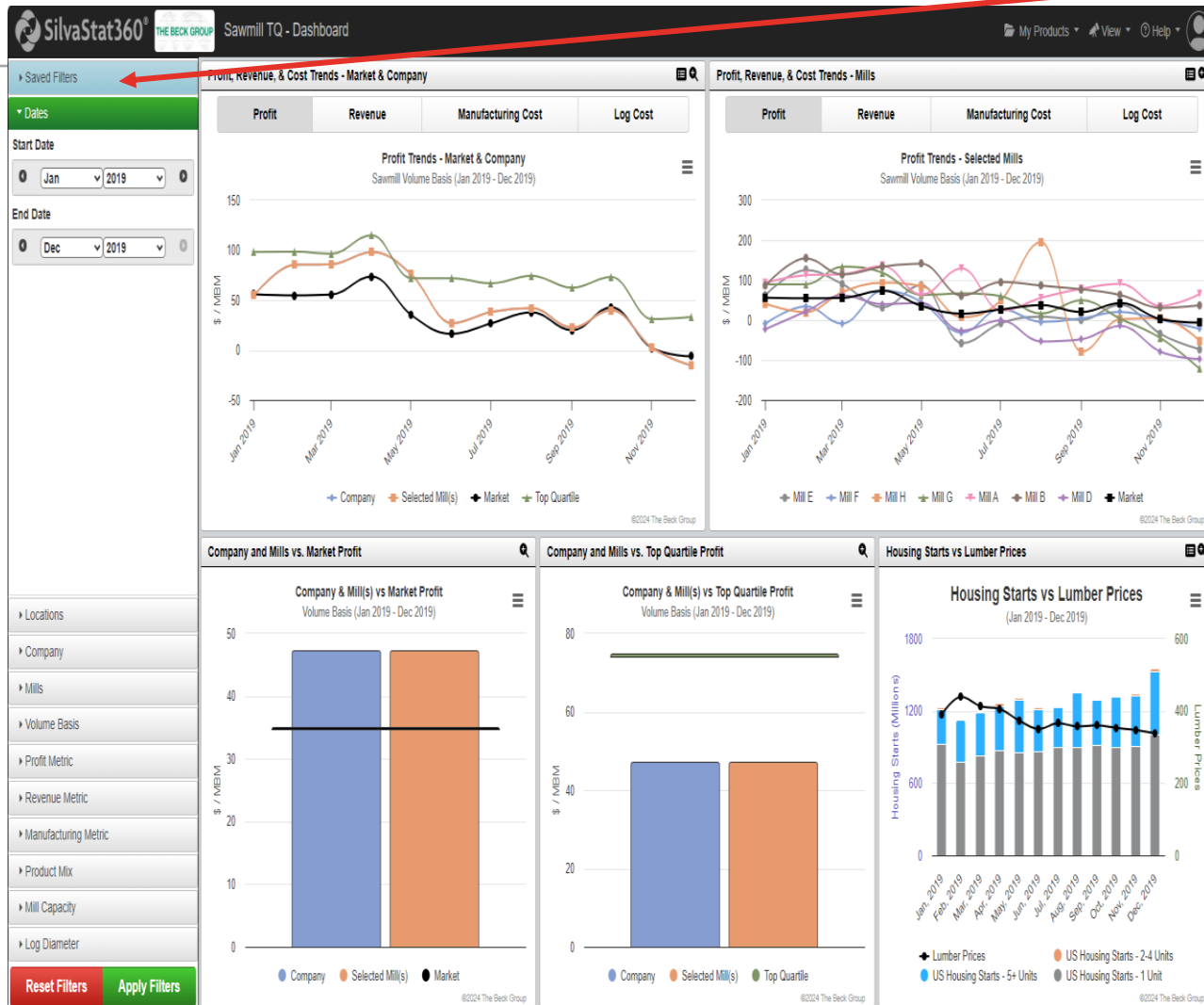
Data Filtering: the "Filters" feature is a drop down menu that allows user to customize analysis by selecting:

- All of a company's mills, or any number of specific mills within a company

- Volume Divisor - most metrics are displayed on a "per MBM basis", therefore the user can select the divisor to be volume at: sawmill, kilns, planer, or shipped volume

- Display of profit on EBIT or EBITDA basis

- Revenue Basis: total revenue, lumber revenue only, or mill residuals revenue only

- Manufacturing Cost Basis: total cost, cash only cost, or in-mill only cost

- Time slider is used to adjust the period being analyzed (monthly resolution)
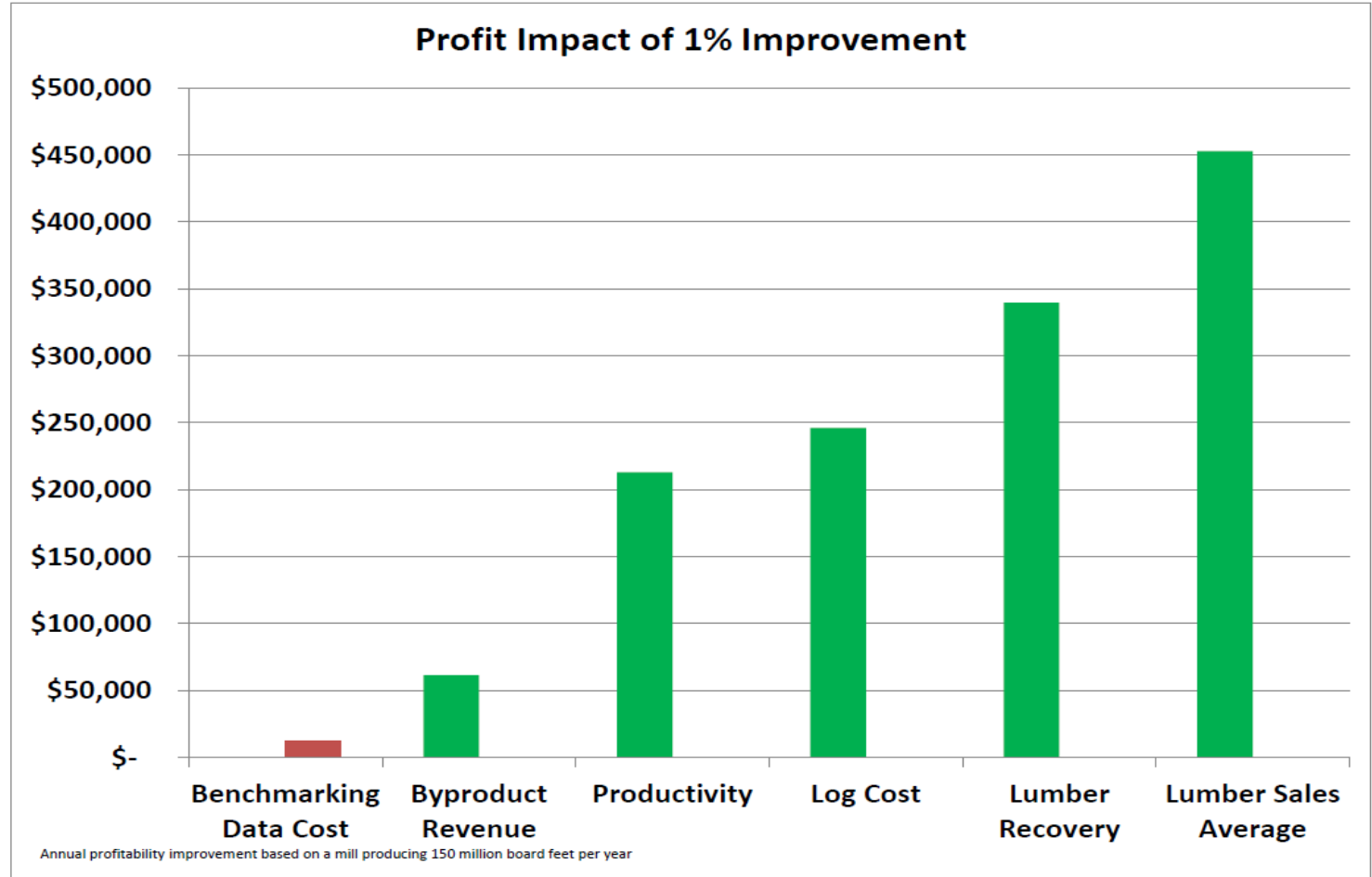
Reporting:

- Hovering the cursor over a line/bar in a chart/figure will pop-up the numeric value of underlying data

- The size of any chart/figure can be increased for easier viewing on the screen

- Any figure/chart can be exported as a picture or can be printed

- The data underlying any figure, chart, etc. can be exported into an Excel file for off-line analysis

- The process for collecting, organizing, and publishing data:

    1. Subscribers sign a Master Data License Agreement with Forest2Market and Beck.

    2. Beck collects data from subscribers.

    3. Beck staff organizes subscriber data (i.e., uses a consistent process for categorizing data so that comparisons are "apples-to-apples").

        - This is different than past Beck studies where the participant had the burden of categorizing their data into the various "buckets" as defined by Beck.

        - This change will significantly reduce the time commitment needed from subscribers.

    4. Beck staff reviews data to assure accuracy and quality.

    5. Beck provides data to Forest2Market.

    6. Forest2Market publishes data on SilvaStat360 online informational portal.

    7. Subscribers access data via the Sawmill TQ™ section of the SilvaStat360 portal.

- Key Subscription Terms include:
  1. Sawmill TQ™ provides coverage of SYP sawmills.
  2. The minimum subscription term is one year, but it can be longer.
  3. Annual subscription cost is tiered (i.e., cost per mill decreases as a company's number of mills increases).
  4. To assure data validity, 100% of a subscribing company's mills must be included in the data provided.
  5. Confidentiality and Anonymity are priorities:
     - Only a subscriber's mills are identified in Mill-to-Mill comparisons; all other participants are identified with only a number.
     - The number/mill combination differs for different data groupings (i.e., a given mill's number will be different on the revenue, yields, costs, and productivity/staffing sections).
     - Beck/ResourceWise will not disclose to subscribers which other companies are participating in the service.
     - Subscribers will be able to see the total number of mills in the comparison.

- Key Subscription Terms include (continued from prior slide):

    6. A subscription includes unlimited log-ins to the SilvaStat360 information portal across a company (i.e., no "per seat" charges).

    7. Companies can control the level of access to the data among their staff (i.e., mill managers may have a different level of access to data than upper level executives).

    8. All data collected on quarterly basis, but with monthly resolution.

    9. Beck will provide an annual written report to each subscriber identifying Beck's observations about strengths, weaknesses, opportunities, etc. Beck will review/discuss the written report with subscriber's management team.

    10. The online platform is a dynamic data storage and delivery system. Our commitment is to be responsive to subscriber requests for changing the data collected/reported and changing the reporting formats.

- Data and insights from Sawmill TQ™ are powerful tools for driving continuous improvement.

- Chart to right shows the dollar value (increased profit) of a 1% improvement in key metrics relative to the Sawmill TQ™ subscription cost.

Profit Impact of 1% Improvement

Annual profitability improvement based on a mill producing 150 million board feet per year

Sawmill TQ

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ResourceWise®

Data, Analytics, and Strategic Consulting for Commodity Markets

Actionable Insights. Smarter Decisions. Better Results.

CHEMICALS

FOREST PRODUCTS

DECARBONIZATION

OrbiChem360™

- Price and Margin Data
- Trade Flow, Import, and Export Data
- Supply and Demand Data
- Price Forecasts
- Plants and Projects
- Market Commentary and Analysis

Chemical Intelligence

- Derivatives Reports
- Methanol Trade Dynamics
- Solvents Market Analysis

FisherSolve®

- Water Supply and Treatment
- Carbon Emissions
- Production Data
- Manufacturing Costs and Mass-Balance
- Capacity Trends
- Asset Quality and Viability Index
- Installed Costs
- News and Projects
- Market Optimizer
- Recycled Fiber Pricing
- Virtual Mills

Forestat Global™

- Price Data
- Demand Data
- Market Share Data
- Cost Data
- Trade Flow, Import, and Export Data
- Market News and Commentary

SilvaStat360®

- Delivered Price Benchmarks
- Delivered Price Forecast
- Fright Efficiency Analysis
- PLF Distribution
- Stumpage Price Reports
- Timber and Carbon Supply Analysis
- Precipitation Data
- Global Economic Data
- Recycled Fiber Pricing
- Sawmill TQ

WoodMarket Prices

- Global Sawlog Price Index (GSPI)
- European Sawlog Price Index (ESPI)
- Global Softwood Fiber Index (SFPI)
- Global Hardwood Fiber Index (HFPI)
- Trade Flow, Import, and Export Data
- Market Commentary and Analysis

Prima CarbonZero™

- Commodity Price Data
- Trade Flow, Import, and Export Data
- Supply and Demand Data
- Global Trade Fundamentals
- Global Plants Database
- Global Biofuel Mandates
- North American Tickets
- Market Commentary and Analysis

Consulting Services