

Quarterly Earnings Call Notes – Q3 2024

Alabama Business Intelligence Center

Note: Quarterly Review encompasses a review of quarterly filings and earnings calls. These earnings call notes are in reference to company results for Q2 2024 (April to June 2024). These calls were recorded during Q3 2024 (July to September 2024). Additional Notes encompasses news alerts for additional companies monitored.

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Additional Companies Monitored:

Adient (NYSE:ADNT)	IN8bio Inc. (NASD:INAB)
ADTRAN Holdings, Inc. (NasdaqGS:ADTN)	KATEK SE (DB: KTEK)
Aerojet Rocketdyne Holdings, Inc. (NYSE:AJRD)	Kratos Defense & Security Solutions, Inc. (NASDAQGS:KTOS)
Austal Limited (ASX:ASB)	L3Harris Technologies, Inc. (NYSE:LHX)
BAE Systems (LSE:BA)	Lakeland Industries, Inc. (NasdaqGM:LAKE)
Benchmark Electronics Inc. (NYSE:BHE)	Lockheed Martin Corporation (NYSE:LMT)
BioCryst (NASDAQGS:BCRX)	Mazda (TSE:7261)
Carpenter Technology Corp. (NYSE:CRS)	Mercedes-Benz (XTRA:MBG)
Computer Programs and Systems, Inc. (NasdaqGS:CPSI)	Polaris Industries (NYSE:PII)
Daikin Industries (TSE:6367)	Sanmina-SCI Corp. (NASDAQGS:SANM)
Encompass Health Corporation (NYSE:EHC)	Steelcase Inc. (NYSE:SCS)
Fidelity National Information Services, Inc. (NYSE:FIS)	Steris Corp. (NYSE:STE)
General Electric Company (NYSE:GE)	Surgalign Holdings, Inc. (NasdaqGS:SRGA)
Hibbett, Inc. (NasdaqGS:HIBB)	The Scotts Miracle-Gro Company (NYSE:SMG)
Honda (TSE:7267)	Toyota (TSE:7203)
Hyundai Motor Company (KOSE:A005380)	Vulcan Materials Company (NYSE:VMC)
	Warrior Met Coal, Inc. (NYSE:HCC)

Advanced Manufacturing Industry

Positive Indicators: The Advanced Manufacturing industry is experiencing a demand recovery in key segments such as aerospace and automotive, driven by increased air travel, defense spending, and electrification trends. Companies like PPG Industries and 3M have reported growth in specialty coatings, automotive electrification products, and advanced materials. There is also strong momentum in zero-emission technology, as seen in NFI Group's ZEB segment, supported by government funding. Companies are enhancing profitability through cost optimization, operational efficiencies, and strategic acquisitions, while investing in innovation and sustainable technologies to capitalize on new market opportunities.

Challenges: The industry continues to face supply chain disruptions, component shortages, and inflationary pressures, impacting production schedules and increasing costs. Macroeconomic uncertainty and geopolitical tensions are affecting raw material availability and pricing, particularly in Europe and

Asia. Additionally, weaker demand in certain segments, such as legacy automotive and consumer electronics, is tempering growth for some companies. Rising regulatory and environmental compliance costs add further complexity, pushing firms to invest heavily in sustainable technologies, which increases short-term expenditures.

Paper and Packaging Industry

Positive Indicators: The Paper and Packaging industry is seeing growth in key segments like corrugated packaging and folding cartons, driven by stable demand in consumer goods, e-commerce, and foodservice. Companies like Smurfit WestRock and Packaging Corporation of America reported strong performance in their corrugated products and containerboard segments, supported by increased volume and price improvements. Investments in sustainable packaging solutions and new capacity expansions are positioning companies to capitalize on the growing demand for recyclable and fiber-based packaging. Additionally, strategic mergers, such as the Smurfit Kappa and WestRock merger, are expected to create synergies and enhance operational efficiency.

Challenges: The industry faces headwinds from increased input costs, particularly for recovered fiber, labor, and energy, which are pressuring margins. Demand softness in Europe and heightened competition from Asian imports are affecting profitability in certain markets. Companies are also navigating the complexities of integrating newly acquired assets and managing production capacity to align with shifting demand patterns. Further, ongoing economic uncertainty and geopolitical tensions may impact pricing and raw material availability, adding volatility to overall industry performance.

Agribusiness Industry

Positive Indicators: The Agribusiness industry is experiencing strong performance in segments like poultry and pork, driven by increased demand for value-added products and operational improvements. Companies such as Tyson Foods have reported record profitability in their Chicken segment due to improved production efficiency, favorable pricing, and lower feed costs. Investments in new processing capacity, such as fully cooked facilities and expansion into international markets, are supporting growth and enabling companies to capture more value from core protein products. Additionally, strategic focus on foodservice expansion and innovation in prepared foods is driving higher margins and supporting revenue growth.

Challenges: The industry faces ongoing challenges from rising input costs, particularly grain and labor, which are impacting profitability in beef and pork operations. Economic uncertainties and fluctuating consumer demand are creating price volatility and affecting the ability to pass on costs. Companies are also contending with supply chain disruptions and logistical constraints, which are complicating production schedules and increasing operational complexity. Regulatory changes and environmental compliance requirements are adding to the cost burden, pushing agribusiness firms to invest in sustainable practices and technologies, further straining short-term capital expenditures.

Wood Products Industry

Positive Indicators: The Wood Products industry is showing strength in segments like engineered wood products (EWP) and oriented strand board (OSB), driven by stable demand in the U.S. housing market and growth in renovation and remodeling activities. Companies like West Fraser and Louisiana-Pacific reported strong EBITDA growth in their EWP and OSB segments due to higher prices, increased capacity utilization, and operational efficiency. Investments in new production capacity and modernization

projects are positioning companies to meet demand and improve cost efficiency. Strategic divestitures and capacity adjustments are also helping firms optimize their portfolios and focus on core high-margin products.

Challenges: The industry is facing headwinds from declining lumber prices and weaker demand for Southern Yellow Pine (SYP) products, leading to production curtailments and lower profitability in the lumber segment. Elevated operating costs, particularly for transportation, energy, and labor, are squeezing margins across many facilities. Economic uncertainty and fluctuating demand in key export markets, combined with increased competition from international suppliers, are adding pressure. Companies are managing through these challenges by implementing cost-saving initiatives, reducing production at high-cost mills, and maintaining disciplined capital allocation.

Chemicals Industry

Positive Indicators: The Chemicals industry has seen resilience in specialized segments such as water treatment chemicals and performance materials, with companies like Chemtrade and Olin benefiting from stable demand and pricing in their core markets. Investments in capacity expansions and technological upgrades are helping companies capitalize on growth opportunities in high-margin products such as ultrapure acids and specialty chlor-alkali. Additionally, strategic focus on efficiency improvements and cost control has supported margin stability, even in the face of economic headwinds. Mergers and acquisitions continue to play a key role, with companies streamlining operations and enhancing product portfolios.

Challenges: The industry continues to grapple with volatile raw material prices, supply chain disruptions, and higher energy costs, which are putting pressure on margins. Demand softness in industrial and construction-related chemicals has led to reduced production levels and increased inventory build-up. Geopolitical tensions and trade policy changes are adding uncertainty to global supply chains and complicating procurement strategies. Regulatory compliance and environmental concerns are driving up costs, requiring significant investment in sustainable practices and emission reduction technologies, which impact short-term profitability.

Metals Industry

Positive Indicators: The Metals industry has shown strong performance in segments such as aluminum and specialty steel products, driven by robust demand in aerospace, automotive, and infrastructure markets. Companies like Nucor and Outokumpu reported stable margins and increased production capacity for high-value products such as steel joists and low-carbon stainless steel. Investments in capacity expansion and technology upgrades, along with strategic acquisitions, are positioning firms to meet the rising demand for sustainable and lightweight materials. Additionally, cost optimization and operational efficiencies have supported profitability amid fluctuating market conditions.

Challenges: The industry faces headwinds from lower prices for basic steel and aluminum products due to weaker demand in construction and general manufacturing. Elevated raw material costs, particularly for scrap and energy, are squeezing margins, while global supply chain disruptions are causing delays and impacting production schedules. Increased competition from lower-cost imports and geopolitical uncertainties, especially trade policies and tariffs, are adding pressure on pricing and market share. Companies are also dealing with environmental regulations and the need for significant investment in decarbonization technologies to meet sustainability goals, adding complexity to operational planning and capital allocation.

Aerospace Industry

Positive Indicators: The Aerospace industry is seeing strong demand recovery, particularly in the commercial aviation segment, driven by increased air travel and rising aircraft production rates. Companies like Boeing and Airbus reported robust order backlogs, improved deliveries, and increased production capacity to meet growing demand. The defense sector remains stable, with continued government spending supporting development and production of next-generation military aircraft and space systems. Investments in innovation, such as advancements in fuel efficiency and lightweight materials, are positioning aerospace companies to capitalize on the recovery and future growth opportunities.

Challenges: The industry continues to face supply chain disruptions, with shortages of key components such as engines and avionics affecting production schedules and delivery timelines. Rising input costs, particularly for raw materials and labor, are pressuring margins despite increased pricing. Geopolitical tensions and trade uncertainties are complicating the global supply chain, leading to higher logistics costs and inventory management challenges. Additionally, manufacturers are grappling with complex regulatory requirements and the need for sustainable aviation solutions, which require significant investment in research and development and may impact short-term profitability.

3M Company (NYSE:MMM)

Outlook: **Positive**

AL Outlook: **Positive**

Recommended Action: Monitor 3M's increased R&D spending in electronics and transportation, as it could have positive effects on the Guin facility.

Alabama Location(s): Decatur: Advanced materials manufacturing facility; Guin: Manufacturing facility focusing on industrial adhesives, tapes, and transportation safety products.

Key Takeaways:

- 3M reported a strong Q2 2024 performance, with non-GAAP EPS of \$1.93, up nearly 40% year-on-year, surpassing the consensus by 14.88%.
- Revenue of \$6.255 billion, reflecting a year-on-year growth of 7.31%.
- Operating margins improved to 21.6%, up 440 basis points, driven by organic growth, productivity gains, and restructuring savings.

Business Expansions & Capital Expenditure Plans:

- Increased R&D spending and investments in the electronics and transportation sectors.
- Exploring opportunities to optimize its product portfolio by reducing non-core and low-growth areas.
- Continued investments in facilities for advanced manufacturing and safety products.

Operational Highlights:

- The company is improving its global manufacturing and distribution network, reducing complexity, and optimizing supply chain management.
- 3M is reducing manufacturing cycle times and enhancing supply chain performance.
- Restructuring is 75% complete, with plans to finalize by 2025. The company continues to identify additional savings opportunities in its operations.

Financial Highlights:

- **Revenue:** \$6.255 billion (up 7.31% YoY).
- **Non-GAAP EPS:** \$1.93 (up 14.88% YoY).
- **Free Cash Flow:** \$1.2 billion, with a 109% conversion rate.
- **Operating Margins:** 21.6% (up 440 basis points YoY).

Segment Performance and Outlook:

- **Safety and Industrial:**
 - Sales of \$2.8 billion, up 1.1% organically.
 - Growth driven by adhesives and tapes (positive implications for Guin), offset by declines in abrasives and industrial specialties.
 - Operating income of \$623 million with margins of 22.6%.
- **Transportation and Electronics:**
 - Sales of \$1.9 billion, up 3.3% organically.
 - Growth in the electronics business (up low double digits organically), and auto OEM business (up 5%).
 - Operating income of \$426 million with margins of 22.3%.
 - Announced partnership with ATI Collision to produce training for auto repair workers to use 3M's automotive repair products.
- **Consumer:**
 - Sales of \$1.3 billion, down 1.4% organically.
 - Declines due to softness in consumer discretionary spending.
 - Operating income of \$219 million, down 7% YoY, with margins of 17.4%.

Airbus SE (ENXTPA:AIR)**Outlook: Neutral****AL Outlook: Positive**

Recommended Action: Monitor the planned A220 and A320 production ramp-ups at the Mobile facility. Target supply chain components that have caused delays for Airbus. These component manufacturers could be onshored to reduce delays and lower transportation costs.

Alabama Location(s): Mobile (A320 and A220 production lines)

Key Takeaways:

- **Revenue Increase:** Airbus reported a 4% increase in revenue year-on-year, reaching €28.8 billion, mainly due to higher commercial aircraft deliveries and increased volume in the Air Power business.
- **Space Business Challenges:** The company recorded a charge of €989 million due to issues in its Space business located in Western Europe, primarily related to telecommunication and navigation programs. This impacted EBIT significantly, reducing it from €2.6 billion in H1 2023 to €1.4 billion in H1 2024.
- **Commercial Aircraft Performance:** Airbus delivered 323 aircraft to 65 customers in H1 2024. The A320 family represented 261 of these deliveries, with over 147 being A321 models.
- **Backlog and Orders:** Airbus continues to experience strong demand, with 327 gross orders recorded in H1 2024 and a backlog of 8,585 aircraft by the end of June.

- **Helicopter and Defense Segments:** The Helicopters division recorded 233 net orders in H1 2024 compared to 131 in H1 2023. The Defense & Space segment showed a 7% increase in revenue year-on-year due to higher Air Power sales.
- **Cash Flow:** Free cash flow before customer financing was negative at €0.5 billion due to planned inventory buildup and CapEx related to production ramp-up. Net cash position stood at €7.9 billion after the payment of dividends.

Alabama Operations:

- The Mobile facility remains a key component of Airbus's North American strategy, supporting the production ramp-up of A320 and A220 aircraft families.
- Investments and production plans at the Mobile facility are expected to contribute to meeting future production targets and sustaining the company's growth in the region.

Business Expansions & Capital Expenditure Plans:

- Airbus has delayed its A320 production ramp-up to reach a rate of 75 aircraft per month by 2027, allowing key suppliers more time to meet production requirements.
- Investments in the A220 production line in Mobile, Alabama, continue to progress, aiming to achieve a monthly production rate of 14 aircraft by 2026.

Operational Highlights:

- Airbus is experiencing challenges with its supply chain, particularly with engines, landing gears, and cabin elements that arrive late in the manufacturing process.
- The company signed a binding term sheet with Spirit AeroSystems to secure future work packages and manage current operational challenges. Airbus is evaluating acquiring portions of Spirit AeroSystems' business. While Boeing is finalizing the acquisition of Spirit AeroSystems, Airbus is still in negotiations to acquire certain Spirit assets that serve Airbus programs, concurrently with the closing of Spirit's acquisition by Boeing.

Financial Highlights:

- **Revenue:** €28.8 billion (up 4% year-on-year).
- **EBIT Adjusted:** €1.4 billion, down from €2.6 billion in H1 2023.
- **Free Cash Flow:** Negative €0.5 billion due to planned inventory buildup and CapEx.
- **Net Cash Position:** €7.9 billion at the end of June 2024.
- **Orders:** 327 gross orders for commercial aircraft, bringing the backlog to 8,585 aircraft.

Segment Performance and Outlook:

- **Commercial Aircraft:**
 - Delivered 323 aircraft in H1 2024.
 - Strong performance in the A320 family, with the A321 model making up more than half of A320 deliveries.
 - Adjusted EBIT for the Commercial Aircraft segment decreased due to increased R&D expenses and workforce costs.
- **Helicopters:**
 - Delivered 124 helicopters in H1 2024, 21 fewer than the same period last year.
 - The segment recorded strong order growth, particularly in military and civil markets.
- **Defense & Space:**
 - Reported a 7% revenue increase driven by growth in the Air Power business.
 - The €989 million charge in the Space segment was attributed to updated completion estimates on telecommunication, navigation, and observation programs.

Boeing Co. (NYSE:BA)

Outlook: Neutral

AL Outlook: Neutral

Recommended Action: Monitor performance of Boeing's Defense, Space and Security Division

Alabama Location(s): Huntsville: Aerospace and defense facility

Key Takeaways:

- **Financial Challenges:** Boeing faced significant financial challenges in Q2 2024, reporting a normalized loss per share of \$2.90, worse than the consensus estimate of \$2.01. The company also reported a decline in revenue to \$16.9 billion, down 2.77% year-over-year.
- **Defense Segment Losses:** Boeing's Defense, Space & Security division reported a \$1 billion loss due to issues with several fixed-price development programs, including the KC-46A Tanker, T-7A, VC-25B, and Commercial Crew.
- **Supply Chain and Production Issues:** Continued issues with key suppliers, particularly Spirit AeroSystems, resulted in production disruptions and delays. Boeing's integration strategy with Spirit aims to stabilize supply chain operations and improve production efficiencies in the long term.
- **Operational Adjustments:** Boeing has slowed down production and delivery rates in response to challenges, impacting revenue and profitability. The company's focus remains on stabilizing operations, ensuring compliance with safety standards, and reducing the production backlog.
- **Leadership Change:** Boeing announced the appointment of Kelly Ortberg as the next CEO, effective August 8, 2024. The transition comes during a critical period of restructuring and operational recovery for the company.

Alabama Operations:

- The Huntsville facility remains integral to Boeing's defense and space programs, supporting multiple initiatives. Despite the overall challenges in the Defense & Space segment, the facility continues to play a strategic role in ongoing projects.

Business Expansions & Capital Expenditure Plans:

- Boeing announced a definitive agreement to acquire Spirit AeroSystems for \$4.7 billion. This acquisition aims to integrate critical manufacturing work and unify Boeing's safety and quality management systems. This acquisition was approved by the board.
- Boeing's capital expenditures are focused on stabilizing production rates and improving supply chain resilience across its commercial and defense segments.

Financial Highlights:

- **Revenue:** \$16.9 billion, down 2.77% year-on-year, missing the consensus estimate of \$17.3 billion.
- **Normalized Loss Per Share:** \$2.90, worse than the consensus estimate of \$2.01.
- **Free Cash Flow:** Usage of \$4.3 billion in the quarter, attributed to lower deliveries and unfavorable working capital timing.
- **Debt Balance:** Increased to \$57.9 billion due to new debt issuance.

Segment Performance and Outlook:

- **Commercial Airplanes:**
 - Delivered 92 airplanes, down due to supply chain issues and production delays, generating \$6 billion in revenue.

- The 737 program delivered 70 aircraft, with production set to increase to 38 units per month by the end of 2024.
- The 787 program produced below five units per month due to supply chain constraints. Inventory of pre-2023-built aircraft is expected to be cleared by year-end.
- The 777X program received type inspection authorization, and the first delivery is expected in 2025.
- **Defense, Space & Security:**
 - Recorded a \$1 billion loss on fixed-price development contracts.
 - Delivered 28 aircraft, including seven MH-139 helicopters and the first CH-47F Block 2 Chinook to the U.S. Army.
 - Revenue of \$6 billion, down 2% year-on-year.
 - The division faced setbacks due to cost overruns on fixed-price contracts. The division is expected to achieve higher margins once these development programs mature and transition to long-term contracts.
- **Global Services:**
 - Continued strong performance, generating \$4.9 billion in revenue, up 3% year-on-year, with strong operating margins of 17.8%.
 - Secured \$4 billion in new orders, including contracts with Hainan Airlines and Ryanair.

Canfor Corp. (TSX:CFP)

Outlook: Negative

AL Outlook: Neutral

Recommended Action: Monitor construction progress at the new Axis plant and strategic investments in the U.S. South region

Alabama Location(s): Jackson: Sawmill (closed in June 2024); Fulton: Sawmill (expanding production); Axis: New state-of-the-art greenfield sawmill (under construction); Mobile: Sawmill (pending closure)

Key Takeaways:

- **Financial Performance:** Canfor reported a challenging Q2 2024 with an operating loss of \$231 million, attributed to weak North American lumber markets and supply chain disruptions. The results included a \$51 million write-down of inventory and a \$40 million duty expense related to antidumping accruals.
- **Strategic Adjustments:** Canfor permanently closed its Jackson, Alabama mill and suspended plans to invest in its Houston, British Columbia sawmill due to unfavorable operating conditions. Production is being consolidated at modern facilities, such as the new Axis facility, expected to come online in Q4 2024. Canfor closed two sawmills in Plateau and Fort St. John in British Columbia, cutting 500 jobs and removing 670 million board feet of annual production capacity.
- **European Operations:** The European division continued to perform well, generating \$45 million in cash earnings, supported by solid market activity and improved pricing.
- **Impact of Duties and Softwood Lumber Dispute:** Canfor anticipates an increase in duty rates in August as part of the ongoing U.S.-Canada softwood lumber dispute. Cumulative cash deposits paid by Canfor related to this dispute reached \$956 million as of Q2 2024.
- **Capital Expenditure Plans:** The company's capital expenditures for 2024 are forecasted at \$450 million, focusing on the new Axis facility, growth initiatives in the U.S. South, and investments in Sweden.

Alabama Operations:

- Canfor's restructuring in Alabama includes closing the aging Jackson mill and consolidating production at the new, state-of-the-art Axis facility. These changes are expected to improve long-term competitiveness and operational efficiency.

Business Expansions & Capital Expenditure Plans:

- Canfor's strategic investments are concentrated in the U.S. South, where it expects to complete major projects by year-end, strengthening its presence in regions with competitive fiber baskets.
- The company's El Dorado, Arkansas acquisition is expected to close soon, with a planned \$50 million capital investment to increase production capacity to 175 million board feet over the next several years.
- Total capital spend for 2024 is projected at \$450 million for lumber and \$50 million for pulp operations, with a significant reduction expected in 2025 following the completion of major projects.

Operational Highlights:

- The Axis, Alabama greenfield project is proceeding as planned and is expected to be commissioned by Q4 2024, at which point the Mobile, Alabama mill will be closed.
- Closure of the Jackson, Alabama facility was completed in mid-June, aligning with Canfor's restructuring efforts in the region.
- Operating challenges in British Columbia (BC) led to the closure of the Polar sawmill and the suspension of investment plans in Houston, reflecting persistent constraints in accessing economically viable timber.

Financial Highlights:

- **Revenue:** \$1.381 billion CAD, up 2.95% from the consensus estimate.
- **EPS (Normalized):** Loss of \$1.42 per share, worse than the consensus estimate of a \$0.57 loss.
- **Operating Loss:** \$231 million CAD, driven by inventory write-downs, duty expenses, and asset impairment charges.
- **Cash Position:** Net cash of approximately \$139 million CAD at the end of Q2.

Segment Performance and Outlook:

- **Lumber Segment:**
 - Generated an operating loss of \$231 million CAD, impacted by weak North American market conditions.
 - Losses included \$51 million in inventory write-downs, \$32 million in asset impairment charges, and \$33 million in restructuring expenses.
 - European operations performed well, with \$45 million in cash earnings, highlighting the benefits of Canfor's diversified geographical footprint.
- **Pulp Segment:**
 - Canfor Pulp generated an operating loss of \$6 million CAD, reflecting lower production due to scheduled and unscheduled maintenance outages.
 - Production levels returned to normal in July following repairs to the InterCon recovery boiler.
 - One production line at the Northwood NBSK Pulp Mill will be indefinitely curtailed due to limited fiber availability.

Chemtrade Logistics Income Fund (TSX: CHE.UN)

Outlook: Positive

AL Outlook: Positive

Recommended Action: Monitor planned expansions in Chemtrade's water chemicals business.

Alabama Location(s): Decatur: Water chemical production plant

Key Takeaways:

- **Strong Quarterly Performance:** Chemtrade reported Q2 2024 revenue of \$448.1 million CAD, exceeding the consensus estimate by 2.73%. Adjusted EBITDA was strong despite the negative impact of maintenance turnarounds and lower caustic soda prices.
- **Resilient Water Chemicals Business:** The Water Chemicals segment was a standout performer (positive for Decatur), contributing significantly to EBITDA growth. Higher selling prices, capacity expansions, and operational improvements drove the increase.
- **Chlor-Alkali Segment Challenges:** EBITDA for the Electrochemicals segment decreased by 11% year-over-year, primarily due to lower caustic soda prices. The impact was partially offset by higher selling prices for hydrochloric acid (HCL) and chlorine.

Alabama Operations:

- The Decatur, Alabama facility, which produces water chemicals, remains a stable and essential part of Chemtrade's operations, supporting the broader strategic focus on water treatment and essential chemical production.

Business Expansions & Capital Expenditure Plans:

- **Ultrapure Acid Expansion:** The Cairo, Ohio facility expansion is approaching completion and will increase ultrapure acid production by 60%. This expansion supports Chemtrade's position as the leading supplier for the North American semiconductor industry.
- **Water Chemicals Growth:** Investments in additional capacity expansions for PAC and ACH are continuing, following similar projects completed in 2022 and 2023.
- **Sodium Chlorate Operations:** The Prince George facility will cease sodium chlorate production and be converted into a dissolving operation. The production will be consolidated at the Brandon facility, resulting in lower costs and stable supply to primary customers.
- **Capital Expenditure for 2024:** Expected to be between \$70 million and \$100 million CAD, including \$37 million already spent in the first half of the year.

Operational Highlights:

- **Water Chemicals Segment (SWC):**
 - Revenue and EBITDA grew significantly due to higher selling prices and increased production volumes.
 - Higher regen acid volumes contributed positively, while the sodium nitrite business faced stabilization challenges.
 - Risk-sharing agreements for merchant acid helped maintain stable margins despite lower realized selling prices.
- **Electrochemicals Segment (EC):**
 - Revenue increased by \$2 million, or 1% year-over-year, excluding the impact of the North Vancouver maintenance turnaround.
 - EBITDA declined by \$10.3 million due to a decrease in caustic soda prices, which were USD 365 per tonne compared to USD 480 per tonne in Q2 2023.

- Improved pricing for HCL and chlorine mitigated some of the caustic soda price decline.

Financial Highlights:

- **Revenue:** \$448.1 million CAD (up 2.73% from the consensus estimate of \$436.2 million).
- **EPS (GAAP):** \$0.12 per share, down 20% from the consensus estimate of \$0.15.
- **Adjusted EBITDA:** \$430-\$460 million CAD (full-year guidance, increased by 7%).
- **Net Debt-to-EBITDA Ratio:** Approximately 2x, reflecting a strong balance sheet.

Segment Performance and Outlook:

- **Sulfur and Water Chemicals (SWC):**
 - Strong performance due to improved margins and higher selling prices for water treatment chemicals.
 - Regen acid and water chemicals are expected to remain stable contributors to EBITDA.
 - Ultra-pure acid is benefiting from increasing demand due to growth in the semiconductor industry.
- **Electrochemicals (EC):**
 - EBITDA decreased due to lower caustic soda prices, but demand for HCL and chlorine remains strong.
 - The company expects caustic soda pricing in Asia to continue its upward trend in the second half of 2024.

Constellium N.V. (NYSE:CSTM)

Outlook: Neutral

AL Outlook: Positive

Recommended Action: Monitor impact of investment in the casting center and support from the Department of Defense on operational challenges at the Muscle Shoals plant.

Alabama Location(s): Muscle Shoals: Aluminum sheet manufacturing

Key Takeaways:

- **Financial Performance:** Constellium reported Q2 2024 revenue of €1.8 billion, a decrease of 4.81% year-over-year. Adjusted EBITDA, excluding non-cash metal price lag, was €172 million compared to €209 million in Q2 2023. Net income increased to €71 million, up from €32 million in Q2 2023.
- **Segment Challenges:** The Packaging & Automotive Rolled Products (P&ARP) and Automotive Structures & Industry (AS&I) segments experienced lower shipments and weaker demand, especially in Europe. The Aerospace & Transportation (A&T) segment remained stable, with strong demand in aerospace offsetting weakness in other areas.
- **Operational Setbacks:** Constellium faced production challenges due to planned maintenance at its Muscle Shoals facility and a significant flooding event in its Valais, Switzerland operations. The company expects to resume normal operations at the affected sites by early 2025.
- **Investment Initiatives:** Constellium announced two key investments: a \$65 million expansion at the Muscle Shoals plant, funded in part by a \$23 million grant from the U.S. Department of Defense, and a €30 million investment at the Singen, Germany facility in partnership with Lotte Infracell for foilstock production to support EV battery applications.

Alabama Operations:

- The Muscle Shoals facility continues to face operational challenges, but the investment in the casting center and support from the Department of Defense are expected to improve performance and reduce external dependencies. This investment will support critical aluminum supply for defense, aerospace, automotive, and packaging industries.

Business Expansions & Capital Expenditure Plans:

- **Muscle Shoals Facility:** A \$65 million investment to increase internal casting capacity by up to 300 million pounds, or over 130,000 metric tons. The project will reduce reliance on external metal supply and increase the use of recycled inputs. It is expected to ramp up by the second half of 2026.
- **Singen Facility:** A €30 million investment, in partnership with Lotte Infracell, to enhance production capacity for high-quality foilstock used in EV battery applications. The project will be completed by the end of 2025, with a scheduled ramp-up in 2026.
- **Neuf-Brisach Recycling Center:** This facility will come online at the end of Q3 2024 and will contribute an estimated €40 million annually to EBITDA.

Operational Highlights:

- The Muscle Shoals facility underwent a major maintenance outage during Q2, which impacted P&ARP segment results. The facility faced continued operational challenges but showed improved performance post-outage.
- The Valais operations in Switzerland experienced significant flooding, causing substantial damage to equipment and facilities. The company is working on mitigation plans and expects operations to resume fully by early 2025.
- The Neuf-Brisach recycling and casting center project is progressing as planned and is expected to start up by the end of Q3 2024.

Financial Highlights:

- **Revenue:** €1.8 billion, down 4.81% year-on-year.
- **Adjusted EBITDA:** €214 million, including a positive non-cash impact of €42 million from metal price lag.
- **Net Income:** €71 million, up from €32 million in Q2 2023.
- **Free Cash Flow:** €75 million in Q2, bringing the year-to-date total to €67 million.
- **Leverage:** 2.5x at the end of the quarter, within the target range of 1.5x to 2.5x.

Segment Performance and Outlook:

- **Packaging & Automotive Rolled Products (P&ARP):**
 - Segment adjusted EBITDA was €64 million, down 19% year-over-year.
 - Lower automotive and packaging shipments in Europe contributed to the decline.
 - Maintenance activities and operating challenges at Muscle Shoals were key factors impacting results.
- **Aerospace & Transportation (A&T):**
 - Adjusted EBITDA of €83 million, down 14% year-over-year.
 - Stable shipments in aerospace with continued strength in demand, while other specialties showed weakness.
 - Costs were a tailwind, but price and mix remained a headwind.
- **Automotive Structures & Industry (AS&I):**
 - Adjusted EBITDA of €32 million, down 19% year-over-year.
 - Volume decreased due to lower shipments in automotive and industry extruded products.
 - Segment affected by the sale of the German extrusion business in 2023.

Enviva Inc. (NYSE:EVA)

Outlook: Negative

AL Outlook: Negative

Recommended Action: N/A

Notes: No call this quarter due to ongoing bankruptcy proceedings.

Evonik (XTRA:EVK)

Outlook: Positive

AL Outlook: Positive

Recommended Action: Monitor potential impacts of Evonik's Tailor Made cost-cutting program on its Alabama facilities. The facilities are in strong segments for Evonik.

Alabama Location(s): Mobile: Methionine Production Plant; Birmingham: Competence Center for Medical Devices

Key Takeaways:

- **Strong Financial Performance:** Evonik reported strong Q2 2024 results, with revenue of €3.93 billion, only slightly below the consensus of €3.98 billion (a 1.38% decline year-over-year). Normalized EPS was €0.50, which significantly exceeded the consensus estimate of €0.42 by 19.05%. The company's adjusted EBITDA grew to €474 million, reflecting higher volumes and cost efficiencies.
- **Strategic Focus:** The company's growth strategy centers on expanding its Specialty Additives and Smart Materials segments, alongside targeted investments in biosurfactants and animal nutrition. The "Evonik Tailor Made" restructuring program is expected to deliver cumulative savings of €200 million by the end of 2025.
- **Capital Allocation:** No major acquisitions are planned for the next two years. Instead, Evonik is focusing on internal restructuring and organic growth investments. This includes a new biosurfactants plant in Slovakia and optimization of its Technology & Infrastructure division.

Alabama Operations:

- The Mobile, Alabama methionine production facility continues to perform well, contributing positively to the company's overall growth in animal nutrition. The Birmingham Competence Center for Medical Devices remains an important hub for research and innovation.

Business Expansions & Capital Expenditure Plans:

- **Biosurfactants Expansion:** A new world-scale biosurfactants plant inaugurated in Slovakia is expected to be fully operational by 2026, generating over €300 million in annual revenue with an EBITDA margin of 25%. This plant will support markets such as personal care, home care, agriculture, and animal nutrition.
- **Tailor Made Program:** The Evonik Tailor Made program aims to achieve €200 million in cumulative savings by the end of 2025. This initiative focuses on structural cost reductions and business optimization.
- **Technology & Infrastructure Reorganization:** The company is considering options to reorganize or divest its Technology & Infrastructure assets, which generated €3.2 billion in sales in 2023. No anticipated impact on Alabama.

Operational Highlights:

- The Specialty Additives business rebounded from a tough previous year, driven by increased volumes and cost optimization measures.
- The Smart Materials segment saw steady growth, supported by favorable market conditions and increased product demand.
- A new biosurfactants plant was inaugurated in May, positioning Evonik to benefit from growing sustainability trends and contracted volumes in the specialty chemicals market.

Financial Highlights:

- **Revenue:** €3.93 billion, down 1.38% year-on-year.
- **Normalized EPS:** €0.50, beating consensus by 19.05%.
- **Adjusted EBITDA:** €474 million, up 15% from the prior year.
- **Free Cash Flow:** €675 million, a €500 million improvement year-on-year.
- **EBITDA Guidance:** The company expects full-year EBITDA to be between €1.9 billion and €2.2 billion, with the midpoint set at €2.05 billion.

Segment Performance and Outlook:

- **Specialty Additives:**
 - Strong volume recovery contributed to a year-on-year increase in profitability.
 - The division saw healthy demand in personal care and animal nutrition, with positive pricing dynamics.
- **Smart Materials:**
 - Revenue and EBITDA growth driven by improved utilization rates and higher demand for sustainable and innovative materials.
 - Management expects further improvement in profitability as utilization rates exceed 70%.
- **Performance Materials:**
 - The division underperformed due to weaker demand and pricing pressures in core markets.
 - Management plans to divest non-core assets, including the C4 business, as part of a strategic shift towards higher-value products.

Interfor Corp. (TSX:IFP)

Outlook: Negative

AL Outlook: Negative

Recommended Action: Monitor the market for Southern Yellow Pine and its effect on production rates at the Belk sawmill

Alabama Location(s): Belk: Sawmill

Key Takeaways:

- **Challenging Quarter:** Interfor reported a challenging Q2 2024, with an adjusted EBITDA loss of \$17 million CAD and a net loss of \$76 million CAD due to continued weak pricing and high production costs. The company's Q2 performance was similar to the prior quarter, reflecting persistent weakness in the lumber market.
- **Curtailments and Production Adjustments:** Interfor announced further production curtailments for several low-margin mills across its operations, amounting to 280-350 million board feet for the remainder of 2024. This decision impacts approximately 15% of the company's production volume and is expected to help optimize operations amid difficult market conditions.

- **Lower Capital Expenditures:** The company has reduced its total planned capital expenditures for 2024 from \$90 million CAD to \$70 million CAD to maintain financial stability. Capital allocation is focused on reducing financial leverage, maintaining liquidity, and managing operational cash flows.
- **Financial Position and Cash Flow:** Despite the challenging market environment, Interfor generated \$48 million CAD in operating cash flow in Q2, supported by a \$72 million CAD release in working capital. The company also benefited from \$21 million CAD in asset sales, including the divestiture of its Philomath, Oregon sawmill.

Alabama Operations:

- The Belk, Alabama sawmill is impacted by the overall market weakness and curtailments in production. The outlook for the Alabama facility remains uncertain, with further production adjustments possible depending on market conditions.

Business Expansions & Capital Expenditure Plans:

- **Curtailments:** Production curtailments across low-margin mills are expected to help align supply with demand. The adjustments include temporary closures in the U.S. South, Canada, and the Pacific Northwest.
- **CapEx Reduction:** Total planned capital expenditures for 2024 have been reduced to \$70 million CAD from the previous \$90 million CAD to prioritize cash flow management. This includes pausing certain strategic projects and scaling back on maintenance expenses due to reduced operating hours across various mills.
- **Asset Sales:** The company expects additional cash proceeds from the sale of its Coastal B.C. forest tenures, with total net proceeds of approximately \$70 million CAD anticipated by the end of 2025.

Operational Highlights:

- Interfor's production volume was ahead of shipments, indicating a build-up in inventory. The company continued to optimize working capital by reducing inventory levels and improving cost efficiencies.
- Log costs and conversion costs were down in most regions, but profitability remained pressured by low lumber prices.

Financial Highlights:

- **Revenue:** \$771.2 million CAD, up 5.64% year-on-year, despite a 4% decrease in lumber shipments and a 1% decline in the average realized lumber price.
- **Net Loss:** \$76 million CAD, reflecting the impact of weaker pricing and higher costs.
- **Adjusted EBITDA:** Loss of \$17 million CAD.
- **Operating Cash Flow:** \$48 million CAD, supported by reductions in inventory and receivables.
- **Leverage:** Net debt to invested capital leverage ratio was 35%, with available liquidity of \$331 million CAD.

Segment Performance and Outlook:

- **U.S. South:** Demand for Southern Yellow Pine remains weak due to declines in repair and remodel activity, as well as challenges in the multifamily housing sector. Production in the U.S. South is being scaled back in response to these market conditions.
- **Canadian Operations:** Higher softwood lumber duties (from 8% to nearly 14%) have increased uncertainty and are expected to contribute to additional capacity reductions, particularly in high-cost regions like British Columbia.
- **Overall Industry Conditions:** Lumber markets remain difficult to forecast, with supply and demand remaining out of sync. Interfor anticipates continued curtailments across the industry as the market works to rebalance.

International Paper Co. (NYSE:IP)

Outlook: Neutral

AL Outlook: Negative

Recommended Action: N/A

Alabama Location(s): Bay Minette: Containerboard Plant; Prattville: Containerboard Plant; Decatur: Containerboard Plant; Huntsville: Sheet Plant; Dothan: Sheet Plant; Selma: Paper Mill

Key Takeaways:

- **Financial Performance:** International Paper (IP) reported Q2 2024 revenue of \$4.73 billion, which fell slightly below the consensus estimate of \$4.76 billion (a 0.63% miss). The normalized EPS was \$0.55, which exceeded the consensus estimate by 30.95%, highlighting a better-than-expected profitability driven by cost optimization and pricing strategy.
- **Strategic Shifts and Operational Challenges:** The company is undergoing a strategic transformation under the leadership of the new CEO, Andrew Silvernail, who is focused on implementing the 80/20 operating system to simplify operations, reduce complexity, and focus on profitable growth. However, IP's packaging volumes continued to lag the overall market, and the company expects near-term performance to be challenged by seasonally lower volumes and higher costs.
- **Increased Spending on Reliability:** IP increased its spending on maintenance and reliability to address underinvestment in its box system and mills over the past decade. This spending is aimed at improving operational reliability and regaining customer trust, but it will create short-term pressure on margins.
- **Curtailed of Underperforming Operations:** IP has decided to curtail certain low-margin and unprofitable businesses as part of its optimization efforts. This includes restructuring initiatives in various segments and a sharper focus on core areas with growth potential.
- **Focus on Cash Flow and Capital Allocation:** The company generated \$48 million in operating cash flow in Q2, supported by improvements in working capital and divestitures. Total planned capital expenditures for 2024 are expected to be between \$1 billion and \$1.1 billion, focused on enhancing reliability and productivity in core operations.

Alabama Operations:

- IP's Alabama operations, particularly its containerboard and sheet plants, faced operational challenges due to market volatility and underinvestment.

Business Expansions & Capital Expenditure Plans:

- **Increased Maintenance and Reliability Investments:** The company has allocated additional funds for maintenance and reliability projects to address underperformance in its mills and box plants. This includes a capital expenditure plan of \$1 billion to \$1.1 billion annually, with the flexibility to invest more if necessary.
- **Curtailments and Divestitures:** IP plans to curtail operations in certain low-margin segments and divest non-core assets to free up resources for high-return projects.
- **Acquisition of DS Smith's North American Assets:** IP is integrating DS Smith's North American assets, which is expected to strengthen its footprint in the U.S. and optimize its operational capacity.

Operational Highlights:

- IP's performance was driven by price and mix improvements across its Industrial Packaging and Global Cellulose Fibers segments, which offset lower volumes and inflationary pressures.

- IP continues to implement its Box Go-to-Market strategy, which focuses on optimizing margins and customer mix. However, this strategy has resulted in near-term volume losses, which are expected to persist for the next few quarters.

Financial Highlights:

- **Revenue:** \$4.73 billion, a 0.63% miss compared to consensus.
- **Normalized EPS:** \$0.55, beating consensus by 30.95%.
- **Net Income:** \$191 million, up from \$82 million in Q1 2024.
- **Operating Cash Flow:** \$48 million, supported by a \$72 million release in working capital.
- **EBITDA Guidance:** Full-year EBITDA is expected to be between \$1.9 billion and \$2.2 billion, with the company targeting an upper range.

Segment Performance and Outlook:

- **Industrial Packaging:**
 - Volume was favorable by €27 million due to stable demand trends and higher export activity.
 - Operations and costs were unfavorable by €43 million, driven by increased maintenance and reliability spending.
- **Global Cellulose Fibers:**
 - Price and mix improvements added €22 million to earnings, driven by higher absorbent pulp sales.
 - Operations and costs benefited by €36 million due to improved efficiencies following the pulp machine closure at the Riegelwood mill.
 - Maintenance outages were lower by €19 million in Q2, but IP expects this segment's earnings to remain flat in Q3 due to higher costs and lower seasonal demand.

JBS S.A. (Pilgrim's Pride Corporation) (BOVESPA:JBSS3)

Outlook: Neutral

AL Outlook: Positive

Recommended Action: N/A

Alabama Location(s): Facilities in Russellville, Guntersville, and Enterprise, Alabama, for chicken production.

Key Takeaways:

- **Poultry and Pork Strength:** The company's poultry and pork operations, which include Pilgrim's Pride, Seara, and JBS U.S. Pork, were the primary drivers of profitability, contributing 75% of the EBITDA for the quarter. Pilgrim's Pride reported its highest-ever quarterly EBITDA of \$782.8 million, with a margin of 17.2%. Seara achieved an EBITDA margin of 17.4% due to operational improvements and a more optimized product mix.
- **Challenges in Beef Operations:** The U.S. Beef segment faced a challenging environment, impacted by higher cattle costs. However, the Brazil and Australia beef segments benefitted from favorable cattle cycles, which led to stronger margins and increased processing volumes in both countries.
- **Strategic Diversification:** JBS's global multi-protein platform allowed the company to navigate market cycles and maintain healthy cash generation. The company announced investments in new production facilities in Brazil, expansions in Australia, and a new value-added facility in Saudi

Arabia. Additionally, JBS continued to invest in its prepared foods segment in the U.S. to capture more value from its raw materials.

Alabama Operations:

- JBS's Alabama operations, located in Russellville, Guntersville, and Enterprise, continue to play a critical role in supporting its poultry production capabilities. The facilities have contributed positively to the overall profitability of the U.S. poultry segment, particularly as Pilgrim's Pride achieved record performance in Q2 2024.

Business Expansions & Capital Expenditure Plans:

- **New Facilities and Expansions:**
 - JBS is constructing new value-added facilities in Brazil and Saudi Arabia, which will significantly increase capacity in these regions.
 - In Australia, the company is investing AUD 110 million to expand its salmon farming operations.
 - Expansion of value-added production capabilities in the U.S. pork business through greenfield projects and the enhancement of existing facilities.
- **Capital Expenditure:** Total CapEx for the quarter was \$346 million, with 63% allocated to maintenance. The full-year CapEx estimate remains at \$1.3 billion.

Operational Highlights:

- **U.S. Pork Operations:** The U.S. Pork division achieved an EBITDA margin of 11.1%, up from 4.4% a year earlier, due to lower grain costs, strong domestic demand, and expansion in the value-added segment.
- **Seara (Brazil):** Seara's profitability increased by 13.3 percentage points to reach a 17.4% EBITDA margin. This improvement was driven by operational enhancements, better mix management, and lower input costs.
- **JBS Beef North America:** Despite a 3% revenue increase, profitability declined due to higher cattle prices and stable wholesale beef prices, resulting in lower margins.
- **Australia Operations:** The favorable cattle cycle in Australia resulted in increased processing volumes and profitability improvements across several business units.

Financial Highlights:

- **Revenue:** \$19.3 billion USD, up 1.82% compared to the consensus of \$19.0 billion.
- **Adjusted EBITDA:** \$1.9 billion, up 5 percentage points year-over-year.
- **Net Income:** \$329 million.
- **Free Cash Flow:** \$1.1 billion, more than offsetting the cash usage of \$625 million in Q1 2024.
- **Net Debt:** \$14.8 billion, a reduction of \$1.1 billion compared to Q1 2024.
- **Leverage Ratio:** Decreased from 3.66x in Q1 to 2.77x in Q2.

Segment Performance and Outlook:

- **Pilgrim's Pride:** Achieved record quarterly EBITDA of \$782.8 million, driven by a combination of market tailwinds, lower input costs, and better operational execution.

Louisiana-Pacific Corporation (NYSE:LPX)

Outlook: Positive

AL Outlook: Positive

Recommended Action: N/A

Alabama Location(s): Hanceville: Oriented Strand Board (OSB) Manufacturing; Thomasville: Oriented Strand Board (OSB) Manufacturing

Key Takeaways:

- **Strong Financial Performance:** Louisiana-Pacific (LP) reported Q2 2024 revenue of \$814 million USD, up 2.1% from the consensus estimate of \$797.26 million. The company's normalized EPS for the quarter was \$2.09, exceeding expectations by 8.29%. Adjusted EBITDA increased to \$229 million, a near doubling from Q2 2023, driven by higher volumes and favorable pricing in the Siding and OSB segments.
- **Continued Growth in Siding and OSB:** Siding sales grew by 30% year-on-year due to a 22% increase in volume and a 6% rise in prices, marking another record quarter for LP's ExpertFinish product line. The OSB segment also performed well, with a 34% increase in average prices, adding \$73 million in revenue and EBITDA.
- **Operational Efficiency and Margin Expansion:** The Siding segment achieved an EBITDA margin of 25% for the quarter, up 7 percentage points year-on-year. The OSB segment delivered \$125 million in EBITDA on \$351 million in revenue, benefiting from higher operating efficiency and an improved product mix.
- **Strategic Capital Allocation:** LP invested \$36 million in capital expenditures during the quarter, while returning \$120 million to shareholders through dividends and share repurchases. The company's strong cash flow generation, coupled with disciplined capital allocation, led to an increase in the cash balance to \$317 million at the end of Q2 2024.
- **Outlook and Guidance:** LP raised its full-year guidance for Siding revenue growth to between 14% and 16%, with an expected EBITDA margin of around 24%. The OSB segment, however, faces headwinds due to falling prices, and is expected to contribute less to overall EBITDA in the second half of the year.

Alabama Operations:

- LP's OSB manufacturing facilities in Hanceville and Thomasville, Alabama, are key contributors to the company's OSB segment. The facilities are part of LP's strategic efforts to maintain lean inventory levels and match production with demand, optimizing profitability amid market fluctuations.

Business Expansions & Capital Expenditure Plans:

- **Siding Segment:**
 - LP continued to see strong demand for its SmartSide and ExpertFinish products. ExpertFinish is expected to account for close to 10% of total Siding volume and 14% of Siding revenue in 2024, driven by high demand in the repair and remodel segment.
 - The company is considering additional capacity expansion projects to support growth in the Siding segment as market demand increases.
- **OSB Segment:**
 - OSB prices fell significantly at the end of Q2 2024, and this decline is expected to impact Q3 results due to the time lag in the order file.
 - LP has reduced OSB production to match customer demand, maintaining inventory levels at a leaner position to minimize price volatility.

Operational Highlights:

- The Siding business reported strong growth and margin expansion, with volume growth in both new residential construction and repair and remodel markets.
- The OSB business delivered significant EBITDA growth due to higher pricing and a favorable product mix, despite external pricing pressures.
- Increased efficiency and operational leverage led to improved margins across both Siding and OSB segments.

Financial Highlights:

- **Revenue:** \$814 million, up 2.1% from the consensus estimate and 33% year-over-year.
- **Normalized EPS:** \$2.09, up 8.29% from the consensus estimate.
- **Adjusted EBITDA:** \$229 million, a near doubling from Q2 2023.
- **Operating Cash Flow:** \$212 million, supported by strong EBITDA and reductions in working capital.
- **Capital Expenditure:** \$36 million in Q2 2024, with full-year CapEx expected to be lower than in 2023.

Segment Performance and Outlook:

- **Siding:**
 - Siding revenue reached \$415 million in Q2, up \$95 million year-over-year, driven by strong volume growth and higher pricing.
 - Siding EBITDA was \$105 million, representing a 25% margin, up 7 percentage points year-over-year.
 - ExpertFinish margins are improving and are expected to eventually exceed the business average, as efficiencies increase with higher volumes.
- **OSB:**
 - Revenue was \$351 million, driven by a 34% increase in prices and improved operating efficiency.
 - EBITDA was \$125 million, reflecting a significant contribution from high-value Structural Solutions products, which made up 52% of total OSB volume.

NFI Group Inc. (TSX:NFI)

Outlook: Neutral

AL Outlook: Positive

Recommended Action: N/A

Alabama Location(s): Anniston - bus manufacturing facility

Key Takeaways:

- **Revenue Growth and Profitability:** NFI Group reported strong financial results for Q2 2024, with revenue of \$851.23 million USD, up 7.8% from the consensus estimate and a 22% increase year-over-year. The company achieved its first quarter of positive net earnings since 2021, posting a net income of \$2.5 million USD. Adjusted EBITDA reached \$98.7 million USD, up 400% year-over-year, driven by improved manufacturing margins and a record performance in the Aftermarket segment.
- **Improvement in Manufacturing Margins:** Manufacturing gross margin improved to 8%, a significant increase from the 0.9% margin reported in Q2 2023. This improvement was attributed to better production efficiencies, higher pricing, and the completion of legacy inflation-impacted contracts. The company expects further margin growth throughout 2024 as it ramps up production and delivers more Zero Emission Buses (ZEBs).

- **Aftermarket Segment Performance:** The Aftermarket segment delivered record performance with \$162 million USD in revenue and \$35 million USD in adjusted EBITDA, both up 18% year-over-year. Strong growth in North American demand and favorable pricing drove the segment's success.
- **Zero Emission Bus (ZEB) Growth:** ZEBs accounted for 41% of NFI's current backlog, and the company expects ZEBs to comprise 30% to 35% of total deliveries in 2024, increasing to over 40% by 2025. The company is well positioned to benefit from increased funding for zero-emission vehicles in both the U.S. and Canada.
- **Backlog and Order Growth:** NFI's backlog value increased to \$11.8 billion USD, reflecting a 19% year-over-year increase in the average selling price of vehicles, driven by a higher proportion of ZEBs and inflation-adjusted pricing. New orders for the quarter were 1,114 equivalent units (EUs), and the trailing 12-month book-to-bill ratio remained strong at 107%.

Alabama Operations:

- NFI's bus manufacturing facility in Anniston, Alabama, is part of its broader North American manufacturing network. The Anniston facility plays a key role in producing buses for public transit agencies in the U.S., supporting the company's growth in the zero-emission and electric vehicle markets.

Business Expansions & Capital Expenditure Plans:

- **Manufacturing Expansions:** NFI is investing in its manufacturing footprint to support increased production rates, particularly for ZEBs. The company plans to enhance its Winnipeg facility to enable New Flyer to build complete transit buses for Canadian customers by late 2025.
- **Aftermarket and Product Innovations:** NFI is developing new products to meet evolving customer needs, including a range of ZEB models. The company is also focusing on adding new products to its aftermarket segment, which continues to see strong demand and profitability.
- **Capital Expenditures:** The company's capital expenditure for 2024 is expected to increase as NFI invests in new product development, production expansions, and infrastructure to support its zero-emission vehicle growth strategy.

Operational Highlights:

- NFI's manufacturing segment saw a 313% year-over-year improvement in adjusted EBITDA, supported by a 31% increase in vehicle deliveries over the past 12 months.
- The company's strategy to implement milestone payments and contract adjustments led to a \$45 million USD increase in milestone payments during H1 2024, providing better working capital management and liquidity.
- Challenges in the supply chain continue, with delays in critical components such as wiring harnesses and seats. The company is mitigating these issues by adding new suppliers and adjusting production schedules.

Financial Highlights:

- **Revenue:** \$851.23 million USD, up 7.8% from consensus and 22% year-over-year.
- **Net Income:** \$2.5 million USD, the first positive net income since Q2 2021.
- **Adjusted EBITDA:** \$98.7 million USD, up 400% year-over-year.
- **Gross Margin:** 11.9%, up from 7.3% in Q2 2023.
- **Free Cash Flow:** Positive \$75 million USD for Q2, driven by strong operating cash flow and improved working capital management.
- **Total Liquidity:** \$179 million USD, up \$13 million USD from Q1 2024.

Segment Performance and Outlook:

- **Manufacturing Segment:**
 - Adjusted EBITDA increased by 313% year-over-year, with significant improvements in production efficiencies and cost management.
 - The backlog for manufacturing is valued at \$11.8 billion USD, with 41% of orders being ZEBs.

- Continued focus on reducing costs and increasing production rates, especially for ZEBs, to improve margins and profitability.
- **Aftermarket Segment:**
 - Record revenue and EBITDA driven by increased volumes, pricing improvements, and strong demand in North America.
 - The company expects continued strength in the segment, with stable margins and revenue growth throughout 2024 and 2025.

Nucor Corp. (NYSE:NUE)

Outlook: Neutral

AL Outlook: Positive

Recommended Action: N/A

Alabama Location(s): Trinity: Steel tube manufacturing facility; Decatur: Steel tube manufacturing facility; Birmingham: Steel tube manufacturing facility; Tuscaloosa: Steel plate manufacturing facility; Fort Payne: Steel joist manufacturing facility; Riverside: Steel rebar fabrication facility; Eufala: Metal buildings manufacturing facility

Key Takeaways:

- **Strong Earnings Despite Lower Revenue:** Nucor reported Q2 2024 earnings of \$645 million USD or \$2.68 per diluted share, a 23% decline compared to Q1 2024 but still above the consensus estimate of \$2.41 per share. Revenue was \$8.08 billion USD, a 7.4% surprise over the consensus estimate of \$7.52 billion USD.
- **Operational Adjustments:** Lower average selling prices in both the steel mills and steel products segments led to decreased earnings. The steel mills segment experienced a 40% decline in pretax earnings due to lower pricing, particularly at the sheet mills. The steel products segment saw a 14% decrease in earnings due to weaker demand and declining margins.
- **Capital Allocation and Cash Flow:** Nucor generated \$1.5 billion USD in cash from operations and returned over \$630 million USD to shareholders through dividends and share repurchases. Capital expenditure for the quarter was over \$800 million USD, with plans to invest approximately \$3.5 billion USD in 2024.
- **Strategic Expansion Projects:** Nucor highlighted progress in several major expansion projects, including the new rebar micro mill in Lexington, North Carolina, and the West Virginia sheet mill, which are both expected to come online in 2025 and 2026, respectively. The company also completed acquisitions of Rytec (overhead door manufacturer) and Southwest Data Products to expand its downstream capabilities.
- **Challenges in Raw Materials Segment:** The raw materials segment generated \$39 million USD in pretax earnings, lower than the previous quarter due to softer volumes and pricing. However, the segment offset these challenges with lower operating expenses and increased efficiency.

Alabama Operations:

- Nucor's Alabama facilities, including the steel tube manufacturing facilities in Trinity, Decatur, and Birmingham, and the steel plate manufacturing facility in Tuscaloosa, contributed positively to the company's overall performance. The Alabama facilities are well-positioned to support Nucor's strategic growth initiatives in the Southeast region.

Business Expansions & Capital Expenditure Plans:

- **Lexington Rebar Micro Mill:** Nucor's new rebar micro mill in Lexington, North Carolina, is on track to begin operations in Q1 2025, aimed at serving the Southeast and Mid-Atlantic construction markets.

- **West Virginia Sheet Mill:** This major greenfield project is progressing on schedule and is expected to be completed by the end of 2026. The mill will supply customers in the Midwest and Northeast regions.
- **Rytec Acquisition:** Nucor announced the acquisition of Rytec, a leading manufacturer of high-performance overhead doors. This acquisition will form the foundation for Nucor Door Technologies, a new platform that will include Rytec and C.H.I. Overhead Doors.
- **Southwest Data Products Acquisition:** The acquisition of Southwest Data Products expands Nucor's presence in the data center infrastructure market, complementing Nucor Warehouse Systems and Nucor Buildings Group.

Operational Highlights:

- The **steel mills segment** experienced lower average selling prices, which resulted in a 40% decrease in pretax earnings. Weak demand for sheet products was the primary driver of this decline.
- The **steel products segment** saw a 14% decline in pretax earnings, mainly due to lower pricing in tubular products and reduced profitability in the joist and deck divisions.
- Despite these challenges, the company highlighted strong performance in joist and deck operations, which continued to account for over half of the steel products segment's earnings.

Financial Highlights:

- **Revenue:** \$8.08 billion USD, up 7.4% from the consensus estimate of \$7.52 billion USD.
- **Net Earnings:** \$645 million USD, down 23% from Q1 2024.
- **EPS (Normalized):** \$2.68, exceeding the consensus of \$2.41.
- **Operating Cash Flow:** \$1.5 billion USD in Q2 2024.
- **Capital Expenditure:** Over \$800 million USD, with a full-year target of \$3.5 billion USD.
- **Cash on Hand:** \$5.4 billion USD at the end of Q2 2024.

Segment Performance and Outlook:

- **Steel Mills Segment:**
 - Pretax earnings of \$645 million USD, a decline of roughly 40% from Q1 2024.
 - Lower realized pricing across most product categories, particularly for sheet mills, impacted profitability.
 - Demand for plate products remained strong, but profitability was challenged by elevated imports and softer market conditions.
- **Steel Products Segment:**
 - Pretax earnings of \$441 million USD, down 14% quarter-over-quarter.
 - Earnings from tubular products declined by over 50% due to higher-priced substrate in a declining price environment.
 - Joist and deck operations performed well, accounting for more than half of the segment's earnings.
- **Raw Materials Segment:**
 - Generated \$39 million USD in pretax earnings, with lower operating expenses offsetting softer volumes and pricing.
 - Strategic investments in low-copper shred and Direct Reduced Iron (DRI) production continued to enhance the segment's competitiveness.

Olin Corporation (NYSE:OLN)

Outlook: Neutral

AL Outlook: Negative

Recommended Action: Continue monitoring Olin's facilities in AL, as they are exposed to Olin's worst performing segment.

Alabama Location(s): Mobile: Chlor Alkali Facility; McIntosh: Chlor Alkali Facility

Key Takeaways:

- **Financial Performance:** Olin Corporation reported Q2 2024 revenue of \$1.64 billion USD, down 3.48% from the consensus estimate of \$1.70 billion. Normalized EPS for the quarter was \$0.66, missing the consensus estimate of \$0.70 by 5.71%. Despite these challenges, Olin managed to maintain strong cash flow and an investment-grade balance sheet.
- **Operational Adjustments:** The company continued to focus on optimizing operations and maintaining cost discipline across its business segments. Despite weaker demand in the Chlor Alkali and Epoxy segments, Olin achieved operational stability through disciplined production and inventory management.
- **Strong Performance in Winchester Segment:** The Winchester segment performed well, with increased military and commercial sales. Olin's new White Flyer business exceeded expectations, and the company expects continued growth in military ammunition sales, especially with the Next-Generation Squad Weapon Ammunition Facility project in Independence, MO.

Alabama Operations:

- Olin's Alabama facilities, including the chlor alkali plants in Mobile and McIntosh, were not directly affected by Hurricane Beryl. However, these facilities continue to experience lower production levels due to weaker demand and the impact of global supply chain disruptions.

Business Expansions & Capital Expenditure Plans:

- Olin plans to continue its disciplined capital expenditure approach, focusing on maintaining assets and optimizing operations.
- The company reduced its full-year CapEx guidance to \$225 million USD from \$250 million USD to preserve cash flow, despite additional spending due to Hurricane Beryl repairs.
- Investments in new technology and operational efficiency improvements are being prioritized to strengthen the company's competitive position.

Operational Highlights:

- **Chlor Alkali & Vinyls Segment:**
 - This segment faced a challenging quarter due to continued weak demand and pricing pressures. Pretax earnings decreased by approximately 40% year-over-year.
 - Caustic soda prices remained stable due to supply tightness caused by global outages, including those at Olin's own facilities.
 - Production disruptions and lower operating rates contributed to a decline in margins.
- **Epoxy Segment:**
 - The Epoxy business showed modest improvement in pricing and lower operating costs, but results were impacted by Hurricane Beryl and a plant turnaround at the Stade, Germany facility.
 - The U.S. and European antidumping cases against subsidized Epoxy imports are progressing, and Olin expects provisional duties to be set later this year.
- **Winchester Segment:**
 - The Winchester segment continued to perform strongly, with stable earnings and a solid backlog of military and commercial ammunition orders.

- The Next-Generation Squad Weapon Ammunition Facility project is expected to generate at least \$1 billion USD of government-funded revenue over the next 3-4 years.

Financial Highlights:

- **Revenue:** \$1.64 billion USD, down 3.48% from consensus.
- **Normalized EPS:** \$0.66, missing consensus by 5.71%.
- **Net Income:** \$182 million USD, down from \$254 million USD in Q2 2023.
- **Adjusted EBITDA:** \$394 million USD, compared to \$445 million USD in Q2 2023.
- **Operating Cash Flow:** \$1.5 billion USD year-to-date.
- **Net Debt:** \$3.1 billion USD at the end of Q2 2024.
- **Leverage Ratio:** Net debt-to-adjusted EBITDA ratio was 2.6x.

Segment Performance and Outlook:

- **Chlor Alkali & Vinyls:**
 - Revenue was \$680 million USD, with a pretax earnings decline of approximately 40% year-over-year.
 - Pricing remained firm due to supply disruptions, but overall demand remained weak.
 - Outlook: Expect Q3 2024 earnings to be lower due to the impact of Hurricane Beryl.
- **Epoxy:**
 - Revenue was \$435 million USD, with pretax earnings negatively impacted by \$20 million USD due to the hurricane and planned maintenance outages.
 - Antidumping investigations in the U.S. and EU are expected to lead to provisional duties in H2 2024.
 - Outlook: Expect continued price firmness in H2 2024 but lower earnings due to ongoing maintenance and supply chain disruptions.
- **Winchester:**
 - Revenue was \$392 million USD, supported by increased military sales and stable commercial sales.
 - The newly acquired White Flyer business delivered above expectations and contributed to segment profitability.
 - Outlook: Military sales are expected to remain strong, with new orders contributing to sustained profitability.

Outokumpu Oyj (HLSE:OUT1V)

Outlook: Neutral

AL Outlook: **Negative**

Recommended Action: Monitor Outokumpu's claim that operational challenges at the Calvert plant will stabilize in H2 2024

Alabama Location(s): Calvert, Alabama - Stainless Steel Mill

Key Takeaways:

- **Revenue and Profitability Decline:** Outokumpu reported Q2 2024 revenue of €1.56 billion EUR, down from €1.74 billion EUR in Q1 2024 due to lower realized prices and weaker market conditions, particularly in the Americas. Adjusted EBITDA was €56 million EUR, an increase from €39 million EUR in Q1 2024 but significantly lower than previous years, reflecting ongoing operational and market challenges.

- **Impact of Operational Issues and Strike:** The company faced multiple operational challenges at its Calvert, Alabama facility in the U.S., which negatively impacted production volumes and margins. Additionally, a political strike in Finland earlier in the year had a cumulative €60 million EUR negative impact on profitability for the first half of 2024, with €30 million EUR of this impact carried over to Q2.
- **Market Environment:** The stainless steel market in the U.S. softened in Q2 2024 after several quarters of stable performance. In Europe, market recovery remained slow, with only gradual improvements in pricing and demand. Asian imports into Europe increased, adding to competitive pressure in the region. The company remains optimistic about long-term demand in the U.S. market but expects near-term performance to remain subdued.
- **Strong Performance in Ferrochrome:** The ferrochrome business performed relatively well, with demand for low-carbon ferrochrome rising. The company's position as a sustainable producer with low CO2 emissions has become a competitive advantage, particularly as customers increasingly seek greener alternatives.
- **Strategic Focus on Cost Efficiency:** Outokumpu continued to focus on its strategic Phase 2 program, achieving a run rate improvement target of €200 million EUR, which was increased to €350 million EUR in May 2024. The company is targeting further cost reductions and efficiency gains to offset inflationary pressures and weak market conditions.

Alabama Operations:

- Outokumpu's Calvert, Alabama facility faced operational challenges in Q2 2024, leading to higher costs and reduced production efficiency. These issues have been attributed to internal processes and equipment-related inefficiencies, which the company is addressing through targeted investments and management changes. The Alabama operations are expected to stabilize in the second half of 2024.

Business Expansions & Capital Expenditure Plans:

- Outokumpu reiterated its commitment to disciplined capital allocation. Capital expenditures for 2024 are expected to remain within the previously stated range of €600 million EUR for Phase 2 of its strategic program.
- The company is exploring potential investments in its Tornio, Finland operations to enhance cost competitiveness, particularly in light of favorable local energy prices compared to Central Europe.

Operational Highlights:

- The **Calvert, Alabama facility** faced significant operational challenges during the quarter, which negatively affected production efficiency and profitability. Management is implementing corrective measures to address these issues.
- The **European operations** saw a gradual recovery in demand and pricing, but challenges persist due to increased imports from Asia and higher energy costs in the region.

Financial Highlights:

- **Revenue:** €1.56 billion EUR, down from €1.74 billion EUR in Q1 2024.
- **Adjusted EBITDA:** €56 million EUR, up from €39 million EUR in Q1 2024.
- **Net Income:** €8 million EUR, down from €27 million EUR in Q1 2024.
- **Free Cash Flow:** €110 million EUR, supported by disciplined working capital management and lower capital expenditures.
- **Net Debt:** €562 million EUR, reflecting a stable balance sheet despite lower profitability.

Packaging Corporation of America (NYSE:PKG)

Outlook: Positive

AL Outlook: Positive

Recommended Action: N/A

Alabama Location(s): Jackson: Containerboard manufacturing; Opelika: Corrugated shipping container manufacturing; Madison: Corrugated boxes manufacturing; Jackson: Uncoated free sheet manufacturing

Key Takeaways:

- **Corrugated Products Segment:** The corrugated products segment delivered record-setting performance in Q2, with total shipments up 10.9% year-over-year. Segment EBITDA was \$400 million USD, with a margin of 21%. The company set new containerboard production records to meet growing demand, and prices and mix improved sequentially, offsetting some inflationary cost pressures.
- **Paper Segment Stability:** The Paper segment reported EBITDA of \$31 million USD, a decrease from \$39 million USD in Q2 2023. Paper prices and mix remained flat compared to Q1 2024 but declined by 5.6% year-over-year. Volume increased by 12% due to seasonal demand, but higher maintenance costs impacted profitability.
- **Investment in Strategic Projects:** PCA increased its 2024 capital expenditure guidance to a range of \$670 million to \$690 million USD, up from \$470 million to \$490 million USD. The increase is primarily for high-return growth and mix enhancement projects within its box plants, including a new state-of-the-art greenfield facility in Phoenix, Arizona.
- **Operational Efficiency and Cost Control:** Despite inflationary pressures, PCA effectively managed costs, reducing freight and logistics expenses and minimizing other converting costs. The company also benefited from lower interest expenses and efficient production at its mills and corrugated products facilities.

Alabama Operations:

- PCA's Alabama facilities, including the Madison, Opelika, and Jackson plants, played a critical role in supporting the overall performance of the Packaging and Paper segments. The Jackson mill expansion has enhanced production capacity and operational efficiency, contributing to the company's ability to meet growing demand in key markets.

Business Expansions & Capital Expenditure Plans:

- **Phoenix, Arizona Facility:** PCA is replacing its existing Phoenix corrugated products plant with a modern, state-of-the-art facility to better serve a growing market. The new plant will more than double PCA's capacity in the region and is expected to come online in early Q2 2025.
- **Greenfield Projects and Equipment Upgrades:** Capital investments are being made in several facilities to increase production capacity and improve cost efficiency. This includes new corrugators and converting lines to support growth in the packaging business.
- **Jackson Mill Expansion:** The Jackson, Alabama mill exceeded production targets and contributed positively to profitability. The expansion project is expected to generate additional revenue as capacity utilization increases.

Operational Highlights:

- The Packaging segment's record performance was driven by increased demand for corrugated products and successful implementation of price increases. Volume and pricing improvements were achieved despite a challenging cost environment.
- PCA successfully managed production at its Wallula and Jackson mills, overcoming the operational challenges that had impacted performance in prior quarters.

- The company's focus on operational efficiency and cost control helped mitigate the impact of inflationary cost increases on recycled fiber, labor, benefits, property taxes, and insurance.

Financial Highlights:

- **Revenue:** \$2.08 billion USD, up 3.5% year-over-year and exceeding the consensus estimate.
- **Net Income:** \$199 million USD, down from \$209 million USD in Q2 2023.
- **Adjusted EPS:** \$2.20, beating the consensus estimate of \$2.15.
- **EBITDA:** \$404 million USD, down from \$418 million USD in Q2 2023.
- **Free Cash Flow:** \$33 million USD for Q2 2024.
- **Capital Expenditure:** Revised to a range of \$670 million to \$690 million USD for 2024.

Segment Performance and Outlook:

- **Paper Segment**(Revenue \$150M, EBITDA \$31M, 20.4% margin) - The segment faced pressure from higher maintenance costs and lower pricing, but volume growth offset
- **Packaging Segment** (Revenue \$1.9B, EBITDA \$400M, 21% margin) - The segment is expected to maintain strong performance in H2 2024, supported by increased production capacity and continued demand growth.

PPG Industries, Inc. (NYSE:PPG)

Outlook: Positive

AL Outlook: Positive

Recommended Action: Demonstrate Alabama's competitive advantage in automotive sector to capitalize on PPG's growing EV/automotive segment.

Alabama Location(s): Huntsville: Aerospace manufacturing facility

Key Takeaways:

- **Record Financial Performance:** PPG Industries reported Q2 2024 sales of \$4.8 billion, with adjusted earnings per share (EPS) of \$2.50, an all-time record for the company, reflecting 11% year-over-year growth. The company marked its seventh consecutive quarter of year-over-year segment margin improvement, driven by strong performance across multiple business units, including aerospace and specialty coatings.
- **Increased Demand in Key Segments:** PPG saw positive volume growth in 6 of its 10 business units, driven by its enterprise growth strategy initiatives and new product innovations. The aerospace segment continued to outperform as demand exceeded industry supply, with robust growth in both commercial and defense end markets.
- **Operational Efficiency and Margin Expansion:** Aggregate gross margin improved to 43%, a 180-basis point increase year-over-year, reflecting continued execution of cost control measures and efficiency gains. The Performance Coatings segment achieved a record margin of 18.7%, and the Industrial Coatings segment improved by 120 basis points compared to Q2 2023.
- **Strategic Focus and Capital Allocation:** The company repurchased \$150 million of its own shares in Q2 2024, bringing the year-to-date total to \$300 million. PPG also increased its quarterly dividend by \$0.03 to \$0.68 per share, marking the 50th consecutive year of dividend increases.
- **Guidance and Outlook:** The company expects continued organic sales growth in Mexico and China, while maintaining its strategic focus on margin enhancement and operational improvements.

Alabama Operations:

- The aerospace manufacturing facility in Huntsville, Alabama, remains a critical part of PPG's aerospace segment strategy, supporting increased production to meet growing demand in both commercial and defense markets.

Business Expansions & Capital Expenditure Plans:

- PPG made significant investments to expand production capacity in high-growth segments, including the aerospace and packaging markets.
- New projects include capacity additions in the automotive and specialty coatings businesses, aimed at supporting growth in the electric vehicle (EV) and energy sectors.
- The company is conducting strategic reviews of its architectural coatings business in the U.S. and Canada, and its global silicas product business. These reviews are on schedule, and PPG has received interest from multiple parties.

Operational Highlights:

- PPG achieved strong performance in the aerospace, packaging, and industrial coatings segments, driven by volume growth and improved pricing.
- The aerospace segment benefited from increased demand in commercial and defense markets, with new capacity additions to meet growing demand.
- The architectural coatings business in Europe faced challenges due to weak macroeconomic conditions, but sequential volume improvements were observed.

Financial Highlights:

- **Revenue:** \$4.8 billion USD, down 2.64% year-over-year.
- **Adjusted EPS:** \$2.50, up 11% year-over-year.
- **Net Income:** \$645 million USD, up from \$617 million USD in Q2 2023.
- **Gross Margin:** 43%, a 180 basis point improvement year-over-year.
- **Free Cash Flow:** \$720 million USD year-to-date.
- **Capital Expenditure:** Increased due to investments in production capacity and strategic acquisitions.

Segment Performance and Outlook:

- **Performance Coatings:**
 - Achieved record segment margin of 18.7%.
 - Strong volume growth in aerospace, automotive refinish, and protective & marine coatings.
 - Increased demand for packaging coatings, especially in the U.S. and Asia.
- **Industrial Coatings:**
 - Revenue growth driven by increased demand for general industrial and automotive OEM coatings.
 - Volume performance was negatively impacted by lower automotive production in Europe and China, but pricing and mix improvements offset volume declines.
 - Margin profile improved by 120 basis points year-over-year.
- **Architectural Coatings (EMEA):**
 - Revenue growth was lower than expected due to weak macroeconomic conditions in key European markets.
 - Volume performance in Eastern Europe showed sequential improvement, but Western European countries, especially France, remained weak.
 - The business expects sequential improvement in Q3 2024, supported by seasonal demand and pricing actions.

Sonoco Products Company (NYSE:SON)

Outlook: Positive

AL Outlook: Positive

Recommended Action: N/A

Alabama Location(s): Florence: Tubes & Cores facility; Opp: Tubes & Cores facility; Hartselle: Reels facility

Key Takeaways:

- **Solid Financial Performance:** Sonoco reported Q2 2024 revenue of \$1.62 billion USD, a 4.8% decline from the previous year, due to negative contractual resets and price reductions, offset by productivity gains and volume improvements. Adjusted EPS was \$1.28, beating consensus expectations by 3.23%. Adjusted EBITDA was \$262 million USD with a margin of 16.2%.
- **Productivity Gains:** Sonoco achieved \$51 million USD in productivity improvements in Q2 2024, bringing the year-to-date total to over \$100 million USD. The company's strategic investments in efficiency and manufacturing process improvements are paying off, contributing to higher margins and cost savings.
- **Acquisition of Eviosys:** Sonoco announced the acquisition of Eviosys, a leading global manufacturer of food can and aerosol packaging, in late June. This strategic acquisition is expected to close in Q4 2024 and will enhance Sonoco's footprint and capabilities in the metal packaging segment. Sonoco expects the transaction to be immediately accretive to earnings and cash flow.
- **Divestiture Program Expansion:** Sonoco is expanding its divestiture program, with plans to exceed its previously announced target of \$1 billion USD in proceeds over the next 12 to 18 months. The expansion aims to simplify the portfolio, improve the company's capital structure, and enhance shareholder value.
- **Segment Performance:** The Consumer Packaging and Industrial Packaging segments both showed improvements in EBITDA margins, driven by strong productivity and disciplined cost management, despite ongoing pricing and demand challenges.

Alabama Operations:

- Sonoco's Alabama facilities, including the tubes and cores facilities in Florence and Opp, and the reels facility in Hartselle, contributed positively to the overall performance of the Industrial Packaging segment. The company's focus on operational efficiency and productivity improvements supported margin growth in these facilities.

Business Expansions & Capital Expenditure Plans:

- **Eviosys Acquisition:** The acquisition will significantly expand Sonoco's global can and aerosol packaging capabilities. Sonoco expects \$100 million USD in near-term operating and procurement synergies.
- **Investment in Strategic Growth:** Sonoco continues to invest in productivity-enhancing projects, including automation and capacity expansions. Capital investments are focused on high-return projects in rigid paper containers (RPC) and metal packaging, supporting growth and innovation.

Financial Highlights:

- **Revenue:** \$1.62 billion USD, a 4.8% decline year-over-year due to contractual price resets and strategic divestitures.
- **Net Income:** \$199 million USD.
- **Adjusted EBITDA:** \$262 million USD, with a margin of 16.2%.
- **Capital Expenditure:** \$93 million USD for the quarter, with a full-year guidance of \$350 million to \$375 million USD.

Sumco Corporation (TSE:3436)

Outlook: Neutral

AL Outlook: Positive

Recommended Action: Monitor expansion plans at High Purity Silicon America Corporation in Theodore, AL and explore downstream business attraction opportunities related to increased silicon production.

Alabama Location(s): High Purity Silicon America Corporation in Theodore, AL

Key Takeaways:

- **Improved Demand for Semiconductor Wafers:** Sumco Corporation reported strong recovery in demand for its 300-millimeter wafers, mainly due to increased utilization in generative AI and data center applications. However, demand for 200-millimeter and legacy wafer sizes remains weak, reflecting lower demand from general-purpose computing and consumer electronics segments.
- **Revenue Growth and Margin Stability:** Q2 2024 revenue reached ¥104.7 billion, up 3.1% quarter-over-quarter. Adjusted EBITDA was ¥26.8 billion, resulting in an EBITDA margin of 25.6%. The margin remained stable due to a focus on high-margin products and operational efficiency improvements, especially in the high-purity silicon segment.
- **Strong Operational Performance in Alabama Facility:** The Theodore, Alabama facility, which produces high-purity silicon for semiconductor applications, performed well during the quarter. Sumco increased production volumes to meet rising demand from the semiconductor industry, particularly for high-purity silicon used in advanced node manufacturing.
- **Strategic Focus on Advanced Technologies:** Sumco's investment in technology and capacity upgrades at its Alabama facility continues to support its leadership in the high-purity silicon market. The company plans additional capital investments to expand capacity and improve product quality to meet the stringent requirements of next-generation semiconductor devices.

Alabama Operations:

- The Theodore, Alabama facility experienced strong operational performance, contributing positively to overall revenue and profitability. The facility is currently undergoing expansion to increase capacity and meet growing demand for high-purity silicon products.

Business Expansions & Capital Expenditure Plans:

- Sumco plans to invest an additional ¥20 billion (\$133.5M) in its Theodore, Alabama facility over the next two years to further expand capacity and improve product quality. This investment will support the production of next-generation silicon products required for advanced logic and memory applications.
- The company is also exploring opportunities to expand its global footprint in the U.S. and Europe, with a focus on increasing production capacity and enhancing its technology capabilities.

Operational Highlights:

- **High-Purity Silicon Production:** The Theodore, Alabama facility remains a critical part of Sumco's operations, supporting the production of high-purity silicon for the semiconductor

industry. The facility continues to operate at full capacity to meet the increasing demand for 300-millimeter wafers used in AI and data center applications.

- **Improvement in Product Mix:** Sumco has been shifting its product mix towards higher-margin advanced silicon products, such as those used in AI chips and advanced logic applications. This strategic shift is helping the company maintain profitability despite broader market challenges.

Financial Highlights:

- **Revenue:** ¥104.7 billion, a 3.1% increase quarter-over-quarter.
- **Adjusted EBITDA:** ¥26.8 billion, reflecting an EBITDA margin of 25.6%.
- **Net Income:** ¥12.4 billion, up from ¥8.7 billion in Q1 2024.
- **Operating Cash Flow:** ¥17.8 billion, reflecting strong cash generation from core operations.
- **CapEx:** ¥13.4 billion, primarily directed toward capacity expansion and technology upgrades at the Alabama facility.

Segment Performance and Outlook:

- **300-Millimeter Wafers:**
 - Revenue growth of 7.2% quarter-over-quarter due to strong demand for AI and data center applications.
 - The segment continues to benefit from long-term contracts with leading semiconductor manufacturers.
- **200-Millimeter and Smaller Wafers:**
 - Weak demand in consumer electronics and general-purpose computing markets led to a 5.8% decline in revenue.
 - The segment's outlook remains weak, with no significant recovery expected in H2 2024.

Tyson Foods Inc. (NYSE:TSN)

Outlook: Positive

AL Outlook: Positive

Recommended Action: N/A

Alabama Location(s): Albertville: Processing facility; Blountsville: Processing facility

Key Takeaways:

- **Strong Q3 Performance:** Tyson Foods reported Q3 2024 revenue of \$13.35 billion USD, up 1.6% year-over-year. The company achieved its highest profitability in seven quarters, with adjusted EPS of \$0.87, a 29.85% increase compared to Q2 2024. Adjusted operating income (AOI) improved by \$312 million to nearly \$500 million, driven primarily by substantial gains in the Chicken and Prepared Foods segments.
- **Operational Excellence:** Tyson's Chicken segment delivered more than \$300 million in AOI, marking the best third-quarter profit result in eight years. Operational improvements, lower grain costs, and favorable pricing dynamics contributed to this performance. The company raised its full-year AOI guidance for the Chicken segment to between \$850 million and \$950 million.
- **Segment Highlights:** Beef and Pork segments performed well despite headwinds in the cattle cycle, with Pork AOI increasing by \$92 million year-over-year. The Prepared Foods segment also achieved volume and sales growth, driven by food-service expansion and operational efficiencies.

- **Strategic Focus and Capital Allocation:** Tyson continues to optimize its operations and focus on core protein segments. The company's disciplined capital allocation resulted in a strong year-to-date free cash flow of \$1.1 billion, more than double the combined free cash flow of the last two fiscal years. CapEx for the quarter was \$263 million, with full-year CapEx expected to be between \$1.2 billion and \$1.3 billion.

Alabama Operations:

- Tyson's Alabama facilities, including the chicken production facilities in Albertville and Blountsville, contributed positively to the overall performance of the Chicken segment. Improved hatch rates and higher capacity utilization supported the company's ability to meet growing demand in the poultry market.

Business Expansions & Capital Expenditure Plans:

- Tyson is investing in new capacity for its Chicken and Prepared Foods businesses, including the accelerated ramp-up of the Danville, Virginia, fully cooked chicken facility. New product launches, such as Honey Bites and restaurant-quality wings, have been well received by the market.
- The company is expanding its bacon production capacity with new investments in its Bowling Green facility, aimed at capturing additional market share and improving profitability.
- International investments continue, with a focus on enhancing operational efficiency and increasing capacity utilization in assets across Southeast Asia and China.

Operational Highlights:

- **Chicken Segment:** Delivered the highest AOI in eight years, supported by better hatch rates, improved capacity utilization, and cost management. Volume growth and operational efficiencies enabled Tyson to capitalize on market tailwinds.
- **Prepared Foods Segment:** Volume growth was driven by foodservice expansion and increased demand for value-added products like fully cooked chicken and ready-to-eat meals. The segment achieved AOI of \$148 million, with an EBITDA margin improvement of 216 basis points year-over-year.
- **Beef Segment:** Revenue increased by 5.8% year-over-year due to higher volume and pricing, but AOI was negatively impacted by compressed spreads due to elevated cattle costs.
- **Pork Segment:** Strong year-over-year AOI growth of \$92 million, driven by improved operational execution and better spreads.

Financial Highlights:

- **Revenue:** \$13.35 billion USD, up 1.6% year-over-year.
- **Adjusted EPS:** \$0.87, up 29.85% quarter-over-quarter.
- **Adjusted Operating Income (AOI):** \$500 million USD, up from \$188 million in Q3 2023.
- **Free Cash Flow:** \$1.1 billion USD year-to-date.
- **Net Leverage Ratio:** Reduced to 3x, from over 4x at the end of FY 2023.
- **CapEx:** \$263 million USD for Q3 2024; full-year guidance remains at \$1.2 billion to \$1.3 billion USD.

Segment Performance and Outlook:

- **Chicken:**
 - AOI of \$307 million USD, representing a \$370 million improvement compared to Q3 2023.
 - Lower input costs and strategic investments in live operations and supply chain efficiency contributed to the strong performance.
 - Full-year AOI guidance for the Chicken segment raised to \$850 million to \$950 million.
- **Beef:**
 - Revenue increased, but profitability was constrained due to elevated cattle costs.
 - The outlook remains challenging, with the company expecting a loss of \$400 million to \$300 million in AOI for FY 2024 due to compressed spreads.
- **Pork:**

- Revenue increased 10.4% year-over-year, supported by higher pricing and improved demand.
- The company expects continued strength in the segment, with full-year AOI guidance of \$100 million to \$200 million.
- **Prepared Foods:**
 - Achieved volume and sales growth in foodservice, driven by successful new product launches and expanded distribution.
 - Operational excellence initiatives and investments in new capacity and capabilities are expected to continue driving growth.

United States Steel Corp. (NYSE:X)

Outlook: Neutral

AL Outlook: Neutral

Recommended Action: N/A

Notes: No call this quarter due to ongoing acquisition by Nippon Steel.

West Fraser Timber Co. Ltd. (TSX:WFG)

Outlook: Neutral

AL Outlook: Neutral

Recommended Action: Monitor market demand for Southern Yellow Pine and its effect on production rates at Alabama sawmills

Alabama Location(s): Sawmills in Maplesville, Opelika, and Lanett

Key Takeaways:

- **Mixed Financial Performance:** West Fraser reported Q2 2024 revenue of \$2.35 billion CAD, an 8.11% surprise over the consensus estimate of \$2.17 billion CAD. Adjusted EPS came in at \$1.84, surpassing the consensus estimate of \$1.57, representing a 17.2% positive surprise. Despite these improvements, the lumber segment posted an adjusted EBITDA loss of \$51 million CAD due to lower lumber prices, while the North American Engineered Wood Products (EWP) segment generated strong results.
- **Operational Adjustments in Lumber Segment:** The company faced continued soft demand for Southern Yellow Pine (SYP) lumber products, leading to lower prices and production curtailments. Year-to-date SYP shipments are down 10% compared to 2023 levels. West Fraser lowered its full-year SYP shipment guidance to 2.5 billion to 2.7 billion board feet, down from its previous guidance of 2.7 billion to 2.9 billion board feet.
- **Strong EWP Segment Performance:** The North American EWP segment generated \$308 million CAD in adjusted EBITDA, up from \$188 million CAD in Q1 2024. The increase was driven by higher prices and shipments, supported by operational improvements and capacity utilization at the Allendale OSB mill, which has been ramping up production since its restart.
- **Strategic Capacity Adjustments:** In response to weak market conditions, West Fraser permanently removed 100 million board feet of lumber capacity by closing a Florida mill last year and further rationalized its lumber platform by closing or curtailing production at three

higher-cost mills in the U.S. South and British Columbia. The company expects to operate with fewer hours across its SPF and SYP platforms for the remainder of 2024.

Alabama Operations:

- West Fraser’s Alabama sawmills in Maplesville, Opelika, and Lanett continue to support the company’s U.S. South lumber operations. The Alabama facilities are expected to operate with fewer hours for the remainder of 2024 due to soft market conditions for SYP products.

Business Expansions & Capital Expenditure Plans:

- **Capacity Adjustments:** West Fraser has reduced production at higher-cost mills and transitioned production to lower-cost facilities as part of its ongoing efforts to manage costs and optimize its operations.
- **Allendale OSB Mill Ramp-Up:** The Allendale, South Carolina OSB mill continues to ramp up production and is expected to be among the company’s lowest-cost OSB mills when it achieves full operating rate.
- **Modernization Projects:** The company is investing in modernization projects at its U.S. South mills, including in Alabama, to enhance operational efficiency and reduce costs.

Operational Highlights:

- The **North American EWP segment** generated \$308 million CAD in adjusted EBITDA, driven by strong performance at the Allendale OSB mill and operational efficiencies across the segment.
- The **lumber segment** reported an adjusted EBITDA loss of \$51 million CAD due to lower prices and weaker demand, offset by production curtailments and cost-saving measures.
- The **pulp and paper segment** generated \$9 million CAD in adjusted EBITDA, recovering from a negative \$74 million CAD in Q2 2023 due to improved pricing and cost management.

Financial Highlights:

- **Revenue:** \$2.35 billion CAD, exceeding the consensus estimate by 8.11%.
- **Adjusted EPS:** \$1.84, a 17.2% positive surprise over the consensus estimate of \$1.57.
- **Adjusted EBITDA:** \$272 million CAD, representing a 16% margin.
- **Operating Cash Flow:** \$378 million CAD for the quarter.
- **Cash Balance:** \$469 million CAD, up from \$174 million CAD in Q1 2024, supported by improved earnings, seasonal release of working capital, and proceeds from asset sales.
- **Capital Expenditures:** \$102 million CAD for Q2 2024, focused on modernization and capacity expansion projects.

Segment Performance and Outlook:

- **Lumber Segment:**
 - The segment faced continued pressure from lower prices and weaker demand, particularly for SYP products.
 - Production curtailments and cost-saving initiatives partially offset the negative impacts of lower pricing.
 - Outlook: The segment is expected to remain challenged in the near term, with further production curtailments possible based on market conditions.
- **North American EWP Segment:**
 - Strong performance driven by increased shipments and higher prices for OSB and other engineered wood products.
 - The segment benefited from improved production efficiency and capacity utilization at the Allendale OSB mill.
 - Outlook: Continued strength is expected in H2 2024, supported by ongoing demand for engineered wood products in the U.S. housing market.

WestRock Co. (NYSE:WRK)

Outlook: Positive

AL Outlook: Positive

Recommended Action: N/A

Alabama Location(s): **Cullman:** Corrugated containers manufacturing facility; **Montgomery:** Corrugated containers manufacturing facility; **Eutaw:** Folding cartons manufacturing facility; **Lanett:** Folding cartons manufacturing facility; **Huntsville:** Recycling facility; **Stevenson:** Containerboard manufacturing facility; **Demopolis:** Paperboard manufacturing facility.

Key Takeaways:

- **Completion of Smurfit Kappa and WestRock Merger:** The merger between Smurfit Kappa and WestRock was finalized on July 5, 2024, creating Smurfit WestRock, the largest publicly traded packaging company in the world. This merger will provide enhanced product offerings and innovation across four continents and 40 countries.
- **Financial Results:** Smurfit WestRock reported Q2 2024 revenue of \$4.86 billion USD and adjusted EBITDA of \$480 million USD with a margin of 16.2%. Net cash provided by operating activities increased by \$33 million USD to \$340 million USD compared to the same period last year. Free cash flow generation was strong, with \$186 million USD in Q2, up from \$82 million USD in Q2 2023.
- **Synergy Potential and Integration Plans:** The merger is expected to generate \$400 million USD in cost synergies by the end of 2025. Management is optimistic about additional synergies in the areas of logistics, procurement, and operations optimization. A significant focus will be placed on paper integration across the U.S. and Latin American markets.
- **Improved Performance in Americas and Europe:** The Americas business saw an increase in adjusted EBITDA to \$146 million USD, driven by a \$36 million USD rise in net sales. The European segment, however, faced pressure due to higher labor, distribution, and recovered fiber costs, leading to a decrease in adjusted EBITDA to \$355 million USD.
- **Operational Strategy and Capital Allocation:** Smurfit WestRock aims to optimize its integrated mill system, reduce operating costs, and enhance its global supply chain. The company plans to invest heavily in internal projects, including expanding its capacity in sustainable packaging solutions. The board declared a quarterly dividend of \$0.3025 per share, in line with Smurfit Kappa's historical dividend policy.

Alabama Operations:

- Smurfit WestRock's Alabama facilities, including those in Cullman, Montgomery, Eutaw, Lanett, Huntsville, Stevenson, and Demopolis, are critical to the company's integrated operations in the Southeastern U.S. The Alabama facilities support the production of containerboard, corrugated packaging, folding cartons, and paperboard products. The company plans to optimize production capacity at these sites as part of its broader integration strategy.

Business Expansions & Capital Expenditure Plans:

- **Integration and Synergy Capture:** The combined entity is targeting \$400 million USD in cost synergies by the end of 2025. This will involve optimizing the combined paper mill and box plant network, reducing supply chain costs, and leveraging scale in procurement.
- **Investment in Innovation and Sustainability:** Smurfit WestRock is investing in sustainable packaging technologies, with plans to expand production capacity in Europe and the Americas.

The company is also enhancing its capabilities in recycled content and fiber-based packaging solutions.

- **Strategic Divestitures and Capital Discipline:** The company is exploring divestitures of non-core assets to streamline operations and focus on high-return projects. Smurfit WestRock remains committed to disciplined capital allocation, ensuring that all investments support long-term value creation.

Operational Highlights:

- The U.S. corrugated and containerboard markets experienced stable demand, with strong performance in box shipments and corrugated container volumes.
- European operations were impacted by higher input costs but saw improvements in productivity and operational efficiency.
- Synergy realization in logistics and procurement is expected to contribute positively to EBITDA growth in H2 2024.

Financial Highlights:

- **Revenue:** \$4.86 billion USD.
- **Adjusted EBITDA:** \$480 million USD, with a 16.2% EBITDA margin.
- **Net Income:** Not disclosed due to merger-related complexities.
- **Free Cash Flow:** \$186 million USD, up from \$82 million USD in Q2 2023.
- **Net Debt:** \$3.1 billion USD at the end of Q2 2024, resulting in a leverage ratio of 1.6x.
- **Capital Expenditure:** \$177 million USD for Q2 2024; full-year CapEx is expected to range between \$900 million and \$1.2 billion USD.

Segment Performance and Outlook:

- **Americas:**
 - Adjusted EBITDA increased to \$146 million USD, with a margin of 19.2%.
 - Volume growth in the corrugated and folding carton segments contributed to improved profitability.
 - The company expects continued strength in H2 2024, driven by price improvements and cost synergies.
- **Europe:**
 - Adjusted EBITDA of \$355 million USD, down from \$432 million USD in Q2 2023.
 - Higher input costs, particularly labor and fiber, weighed on profitability, but pricing actions and cost management are expected to support recovery in H2 2024.

Westwater Resources Inc. (NYSE:WWR)

Outlook: **Positive**

Alabama Outlook: **Positive**

Recommended Action: Continue monitoring buildout of facility as Westwater gets closer to production.

Alabama Location(s): Kellyton, Alabama: Graphite Anode Plant under construction, set to produce natural graphite anode materials.

Key Takeaways:

- **Significant Progress on Kellyton Graphite Plant:** Construction is on track, with phase one capacity expected to reach 12,500 metric tons per annum (mtpa) of natural graphite anode material. This capacity is set to increase to 50,000 mtpa post-expansion.
- **Long-term Contracts Secured:** Off-take agreements are in place with Stellantis and SK On, securing 100% of initial capacity through 2031.
- **Financing and Capital Deployment:** A term sheet for a \$150 million debt facility is in place to complete phase one construction of the Kellyton Graphite Plant. Over \$120 million has already been deployed, and the company anticipates closing on the debt facility in Q4.
- **Expansion Potential:** The Kellyton site has significant potential for future capacity expansion, which could further enhance project economics.

Business Expansions & Capital Expenditure Plans:

- **Kellyton Plant Expansion:** Initial nameplate capacity increased by 25% without additional project budget increases, improving project returns.
- **Coosa Graphite Deposit Development:** Westwater continues to explore and expand its Coosa Graphite Deposit, which consists of 42,000 acres of mineral rights under long-term lease. Only 10% of the total area has been explored so far, with a focus on graphite and vanadium resources.

Operational Highlights:

- **Positive Market Position:** Westwater is the first natural graphite anode producer in the U.S. with off-take agreements securing 100% of its initial capacity. The Kellyton Plant is positioned to be the first fully integrated natural graphite anode material supplier in the U.S.
- **Construction Updates:** 85% of the necessary processing equipment is on-site at the Kellyton Plant. Installation of shaping mills and micronizers is nearing completion.
- **Environmental and Economic Considerations:** The company is utilizing environmentally friendly purification technology and is eligible for a 10% tax credit under the Inflation Reduction Act for producing critical minerals.

Financial Highlights:

- **Revenue and EBITDA:** Not specifically provided in the document, but the focus is on securing long-term contracts and managing the expansion of production capacity.

- **Debt Financing:** A \$150 million debt facility is expected to be secured in Q4, completing funding for the Kellyton phase one construction.

Segment Performance and Outlook:

- **Battery-Grade Graphite Anode Materials:** Westwater's focus on producing battery-grade graphite anode materials positions it well within the U.S. market, especially considering global supply chain challenges and the U.S. government's designation of graphite as a critical mineral.
- **Market Dynamics:** Global demand for natural graphite anode is expected to outpace supply, leading to a favorable long-term outlook for Westwater's products.

Additional Notes:

Austal Limited (ASX:ASB)

- September 25, 2024 - **Hanwha Corporation (KOSE:A000880) cancelled the acquisition of Austal Limited (ASX:ASB).**

BAE Systems plc (LSE:BA.)

- September 12, 2024 - **Bae Systems Awards \$440 Million to Produce Additional Bradley Fighting Vehicles for the U.S. Army**

BioCryst Pharmaceuticals, Inc. (NASDAQGS:BCRX)

- September 30, 2024 - **U.S. Government Awards BioCryst Pharmaceuticals, Inc. \$69 Million RAPIVAB® (peramivir injection) Contract for Strategic National Stockpile**

General Electric Company (NYSE:GE)

- August 19, 2024 - **Dolby Laboratories, Inc. (NYSE:DLB) completed the acquisition of Ge Trademark Licensing, Inc. from General Electric Company (NYSE:GE).**

Hibbett, Inc. (NASDAQGS:HIBB)

- July 25, 2024 - **JD Sports Fashion Plc (LSE:JD.) completed the acquisition of Hibbett, Inc. (NasdaqGS:HIBB) from a group of sellers.**

IN8Bio, Inc. (NASDAQGM:INAB)

- September 30, 2024 - **IN8bio, Inc. announced that it expects to receive \$12.405547 million in funding**

Kratos Defense & Security Solutions, Inc. (NASDAQGS:KTOS)

- September 17, 2024 - **Air Force Awards Kratos Sole Source \$79.8 Million Contract for 60 BQM-167A Target Aircraft Systems (Lot 20)**

L3Harris Technologies, Inc. (NYSE:LHX)

- September 12, 2024 - **US Navy Awards L3harris Technologies \$587 Million Contract for Next Generation Jammer - Low Band Program**

Lockheed Martin Corporation (NYSE:LMT)

- August 18, 2024 - **Lockheed Martin Corporation (NYSE:LMT) agreed to acquire the remaining 64.14% stake in Terran Orbital Corporation (NYSE:LLAP) from ASTROLINK International LLC and others for \$37.6 million.**

Quest Diagnostics Incorporated (NYSE:DGX)

- September 16, 2024 - **Quest Diagnostics Incorporated (NYSE:DGX) completed the acquisition of Select laboratory assets of Allina Health System, Inc.**

Vulcan Materials Company (NYSE:VMC)

- September 26, 2024 - **Vulcan Materials Company (NYSE:VMC) entered into definitive agreement to acquire Wake Stone Corporation.**