

Quarterly Earnings Call Notes – Q4 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 Q3 2024 (July to September 2024). These calls were recorded during Q4 2024 (October to December 2024). Additional Notes encompasses news alerts for additional companies monitored.

Table of Contents

Advanced Manufacturing Industry	4
Paper and Packaging Industry	5
Agribusiness Industry	5
Wood Products Industry	6
Chemicals Industry	6
Metals Industry	7
Aerospace Industry	7
3M Company (NYSE:MMM)	8
Outlook: Positive	8
AL Outlook: Positive	8
Airbus SE (ENXTPA:AIR)	10
Outlook: Neutral	10
AL Outlook: Positive	10
Boeing Co. (NYSE:BA)	12
Outlook: Negative	12
AL Outlook: Neutral	12
Canfor Corp. (TSX:CFP)	14
Outlook: Negative	14
AL Outlook: Positive	14
Chemtrade Logistics Income Fund (TSX: CHE.UN)	16
Outlook: Positive	16
AL Outlook: Positive	16
Constellium N.V. (NYSE:CSTM)	17
Outlook: Negative	17

AL Outlook: Positive	17
Evonik (XTRA:EVK)	19
Outlook: Positive	19
AL Outlook: Positive	19
Interfor Corp. (TSX:IFP).....	20
Outlook: Neutral	20
AL Outlook: Neutral	20
International Paper Co. (NYSE:IP)	22
Outlook: Neutral	22
AL Outlook: Neutral	22
JBS S.A. (Pilgrim’s Pride Corporation) (BOVESPA:JBSS3)	23
Outlook: Neutral	23
AL Outlook: Neutral	23
Louisiana-Pacific Corporation (NYSE:LPX)	25
Outlook: Neutral	25
AL Outlook: Neutral	25
NFI Group Inc. (TSX:NFI)	27
Outlook: Neutral	27
AL Outlook: Neutral	27
Nucor Corp. (NYSE:NUE).....	29
Outlook: Neutral	29
AL Outlook: Positive	29
Olin Corporation (NYSE:OLN)	31
Outlook: Neutral	31
AL Outlook: Positive	31
Outokumpu Oyj (HLSE:OUT1V)	33
Outlook: Neutral	33
AL Outlook: Neutral	33
Packaging Corporation of America (NYSE:PKG).....	35
Outlook: Positive	35
AL Outlook: Positive	35
PPG Industries, Inc. (NYSE:PPG)	37
Outlook: Neutral	37

AL Outlook: Positive	37
Smurfit WestRock PLC (NYSE:SW)	39
Outlook: Neutral	39
AL Outlook: Neutral	39
Sonoco Products Company (NYSE:SON)	41
Outlook: Neutral	41
AL Outlook: Neutral	41
Sumco Corporation (TSE:3436)	43
Outlook: Neutral	43
AL Outlook: Neutral	43
Tyson Foods Inc. (NYSE:TSN)	45
Outlook: Neutral	45
AL Outlook: Positive	45
United States Steel Corp. (NYSE:X)	47
Outlook: N/A.....	47
AL Outlook: N/A	47
West Fraser Timber Co. Ltd. (TSX:WFG)	47
Outlook: Neutral	47
AL Outlook: Neutral	47
Westwater Resources Inc. (NYSE:WWR)	49
Additional Notes:	51
Austal Limited (ASX:ASB)	51
BAE Systems plc (LSE:BA.).....	51
BioCryst Pharmaceuticals, Inc. (NASDAQGS:BCRX)	51
General Electric Company (NYSE:GE).....	51
IN8Bio, Inc. (NASDAQGM:INAB)	51
Kratos Defense & Security Solutions, Inc. (NASDAQGS:KTOS)	51
L3Harris Technologies, Inc. (NYSE:LHX)	51
Lockheed Martin Corporation (NYSE:LMT).....	51
Quest Diagnostics Incorporated (NYSE:DGX)	51
Vulcan Materials Company (NYSE:VMC)	51

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 demonstrating resilience and growth in key segments, driven by strong demand for zero-emission technologies, as seen in NFI Group's record backlog of \$12 billion and substantial order growth for zero-emission buses (ZEBs). Companies like PPG Industries and 3M reported gains in specialty coatings, aerospace applications, and advanced materials for industrial use. Cost optimization and productivity improvements are helping offset inflationary pressures. Moreover, government funding initiatives and investments in sustainable technologies, such as NFI's expanded ZEB infrastructure, are enabling companies to meet rising demand while enhancing operational efficiency.

Challenges: Supply chain disruptions, including component shortages and supplier underperformance, remain significant challenges, as noted by NFI Group's issues with critical seat suppliers, which caused production delays. Rising raw material and labor costs continue to pressure margins across the sector. Companies are navigating geopolitical uncertainties and regulatory changes, which add complexity to their operations. Additionally, the slower recovery of industrial coatings and construction markets has tempered overall growth potential for firms like PPG Industries, which experienced uneven demand across regions.

Paper and Packaging Industry

Positive Indicators: The Paper and Packaging industry demonstrated resilience, with companies such as Packaging Corporation of America, International Paper, and Smurfit Westrock reporting gains in key metrics. Packaging Corporation of America highlighted record-setting containerboard production and corrugated box shipments, driven by strong demand in e-commerce and non-durables, which boosted shipments per day by 11.1% year-over-year. International Paper saw stable-to-improving demand trends in North America, with strong price realization and productivity gains offsetting higher costs. Smurfit Westrock achieved a strong adjusted EBITDA margin of 16.5% in its first quarter post-merger, showcasing synergy potential and strategic focus on value-added packaging. Investments in automation, innovation, and footprint optimization continue to support growth opportunities, particularly in high-demand markets such as food and beverage packaging.

Challenges: The industry faces significant pressures from input cost inflation, particularly for energy, wood, and chemical inputs, which have strained margins. Weather impacts, including hurricane-related damage to crops, have disrupted packaging volumes in agricultural markets. In Europe, Smurfit Westrock reported disappointing demand in Germany and other key markets, with box pricing and volumes under pressure. Additionally, companies are grappling with higher scheduled maintenance outages and elevated SG&A costs, partly due to post-merger integration and restructuring efforts. Persistent freight and logistics cost pressures add another layer of complexity, particularly in global operations.

Agribusiness Industry

Positive Indicators: The Agribusiness industry is benefiting from resilient global protein demand and operational efficiencies. Tyson Foods reported a significant recovery in its chicken and pork segments, supported by lower grain costs and enhanced live operations. Its focus on value-added products, such as branded and fully cooked chicken, is driving profitability, with plans for further capacity expansions at facilities like Danville, Virginia. JBS showcased robust performance across its multi-protein platform, particularly in poultry, with Pilgrim's Pride achieving a 16.9% EBITDA margin. Strong global demand, portfolio diversification, and investments in high-value products are sustaining growth. Both companies highlighted effective cost management and innovation as critical growth drivers.

Challenges: The industry faces headwinds from volatile livestock prices and tight cattle supplies, particularly impacting beef profitability. Tyson Foods noted ongoing pressure in its beef business due to compressed spreads from a challenging cattle cycle, which is expected to persist in 2025. JBS highlighted similar issues in its North America beef operations, where high live cattle prices are compressing margins despite stable demand. Rising regulatory requirements and geopolitical uncertainties, including potential tariff changes and trade disruptions, are adding complexity to supply chain management and export flows. Finally, weather-related risks and feed cost volatility continue to impact production planning.

Wood Products Industry

Positive Indicators: The Wood Products industry is experiencing a stabilization in demand as the U.S. housing market shows resilience, with single-family housing starts remaining robust despite affordability challenges. Companies like Louisiana-Pacific (LP), Canfor, and Interfor noted improvements in lumber pricing as supply-demand imbalances begin to correct, driven by significant capacity rationalization—10% of industry capacity has been removed, particularly in the U.S. South. The recovery in Repair and Remodeling (R&R) activity, which is expected to turn positive in 2025, is also boosting optimism, particularly for products like LP SmartSide Siding. Investments in operational efficiency and geographic expansion, such as Canfor's new sawmill in Axis, Alabama, and LP's ongoing capacity enhancements, are positioning companies for long-term growth. Strategic initiatives in sustainable manufacturing, including carbon-negative siding products by LP, are further enhancing the value proposition for wood products.

Challenges: The industry continues to face pricing pressures due to lingering weakness in lumber markets earlier in the year, which negatively impacted revenues for companies like Interfor and Canfor. Rising costs for fiber and transportation remain headwinds, particularly in regions like British Columbia where supply constraints have led to mill closures. Macroeconomic uncertainties, including elevated interest rates, are tempering growth in new construction and R&R segments, limiting near-term demand. Companies also face challenges in managing operational downtime for maintenance, as seen with LP's Houlton facility. Additionally, potential geopolitical and trade risks, including changes in tariffs on Canadian lumber imports, create uncertainty for cross-border operations and pricing dynamics.

Chemicals Industry

Positive Indicators: The Chemicals industry shows resilience with ongoing demand for key products like caustic soda and ultrapure acids, fueled by growth in water treatment, alumina, and pulp and paper industries. Companies like Chemtrade and Olin Corporation are benefiting from improving caustic soda pricing and strong export demand. Chemtrade's ultrapure acid investments, targeting the semiconductor sector, align with increased onshoring and government support in North America. Sumco Corporation noted steady growth in demand for semiconductor-grade chemicals, particularly for advanced manufacturing applications. Additionally, disciplined capital allocation strategies and improved reliability in production are driving profitability improvements across segments like chlor-alkali and water solutions.

Challenges: Persistent challenges include supply chain disruptions, rising sulfur and raw material costs, and inflationary pressures impacting margins. Hurricane-related downtime at facilities like Olin's Freeport plant and broader global market uncertainties exacerbate operational disruptions. The industry also faces headwinds from pricing pressure and high-energy costs, particularly in Europe. Regulatory compliance requirements, such as those targeting chlorine use and environmental standards, pose additional cost burdens for manufacturers.

Metals Industry

Positive Indicators: The Metals industry demonstrated resilience despite challenges, with Nucor and Outokumpu reporting sustained momentum in advanced steel products and sustainable practices. Nucor's Steel Products segment continues to show robust profitability, contributing 42% of pretax earnings over the last 12 months, driven by strong demand in construction, data centers, and advanced manufacturing. The ramp-up of key facilities, such as Brandenburg's plate mill, highlights industry progress in high-value steel products for wind energy and other critical sectors. Outokumpu's increased stainless steel margins in Europe and robust sustainability metrics, including 95% recycled material content, position it well to meet growing demand for low-carbon metals in green transitions.

Challenges: The industry continues to face pressures from weaker market conditions, including declining demand in construction and manufacturing, which impact pricing and margins. Import competition remains a significant headwind, with increased volumes from low-cost producers, particularly in corrosion-resistant and coated steel segments. Elevated raw material costs, especially for scrap, add to margin pressure. Moreover, geopolitical uncertainty, interest rate concerns, and evolving trade policies, such as carbon border adjustments, pose strategic challenges. While decarbonization initiatives are a priority, the associated investments place additional strain on short-term capital allocation.

Aerospace Industry

Positive Indicators: The Aerospace industry is experiencing robust demand in commercial aviation, driven by increased air travel and fleet modernization needs. Companies like Airbus and Boeing reported record order backlogs, with Airbus noting 8,749 aircraft in its backlog and Boeing emphasizing demand across its 737 MAX and 777X programs. Aircraft production rates are increasing, with Airbus targeting 770 deliveries for 2024. The defense sector remains strong, supported by growing government spending, with Airbus Defense & Space securing €11 billion in orders year-to-date. Investments in innovation, including advancements in fuel-efficient aircraft like Airbus' A321XLR and Boeing's focus on next-generation defense systems, position the industry for long-term growth.

Challenges: The industry faces ongoing supply chain disruptions, particularly shortages of engines and cabin components, which are delaying production ramp-ups. Labor strikes, such as Boeing's IAM strike, and broader workforce shortages are exacerbating these delays. Rising input costs, including for materials and labor, are pressuring profitability despite higher aircraft prices. Geopolitical uncertainties and stricter regulatory oversight, including FAA compliance issues, are complicating operational planning. Both Airbus and Boeing noted the need for significant investments to address these challenges, particularly in sustainable aviation technologies and supply chain stabilization.

3M Company (NYSE:MMM)

Outlook: Positive

AL Outlook: Positive

Recommended Action: N/A

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

Key Takeaways

- 1. Improved Margins and Strong Cash Flow:**
 - Adjusted EPS increased **18% YoY** to **\$1.98**, exceeding expectations on **1% organic revenue growth** and strong cost controls.
 - Operating margins expanded by **140 basis points** to **23%**, driven by restructuring benefits, productivity improvements, and pricing gains.
 - Free cash flow for the quarter reached **\$1.5 billion**, with a conversion rate of **141%** as 3M maintained strong capital efficiency.
- 2. Operational Transformation and Supply Chain Focus:**
 - Significant progress in improving **on-time in-full (OTIF)** delivery rates, rising **5 percentage points to 89%** in Q3. Supply chain optimization remains a priority, with tighter supplier performance management and forecasting improvements.
 - Equipment utilization (OEE) averaged **50%** across major factories, below industry best-in-class levels (~80%). OEE initiatives are underway to unlock capacity and reduce manufacturing costs.
 - Strategic portfolio reviews and restructuring efforts continue, with plans to consolidate underperforming assets and reduce complexity.
- 3. Innovation and New Product Launches:**
 - New product introductions (NPIs) increased **10% YoY**, with continued focus on **automotive, aerospace, electronics, and specialty materials**.
 - Investments in **R&D modernization** and pipeline velocity improvements are delivering results, with faster SKU setup times (down from 100 to 60 days).
 - 3M is increasing R&D staffing in high-growth areas such as advanced materials for **EVs, data centers, and semiconductors**.

Alabama Operations

- Decatur Facility:** Advanced materials production aligns with 3M's focus on specialty films and tapes for automotive, aerospace, and electronics markets.
- Guin Facility:** Strong performance in industrial adhesives and tapes contributed to growth in **bonding solutions** for electronic devices and transportation safety applications.

Business Expansions & Capital Expenditure Plans

- CapEx Guidance:** FY 2024 capital expenditures remain at **\$1.7 billion**, with investments focused on R&D modernization, operational efficiency, and facility upgrades.
- Restructuring Efforts:** Expected total restructuring costs of **\$275 million** for FY 2024, with associated savings driving margin expansion.

- **Operational Excellence:** Initiatives to increase OEE, improve supplier performance, and enhance demand forecasting are expected to unlock **\$250-\$260 million** in annual productivity gains.

Operational Highlights

- **Safety and Industrial:**
 - Organic sales up **0.9%** driven by **industrial adhesives** and **roofing granules** demand, offsetting weaker electrical markets.
- **Transportation and Electronics:**
 - Organic growth of **2%**, with strong performance in **electronics** (+high single digits), driven by holiday production ramps and advanced materials demand.
 - Aerospace saw robust demand for bonding and acoustic solutions, while **automotive** was flat due to global production declines.
- **Consumer:**
 - Organic sales declined **0.7%**, impacted by portfolio prioritization. However, **Command Strips** delivered mid-single-digit growth due to strong back-to-school demand.

Financial Highlights

- **Revenue: \$6.29 billion** (+1% organic growth).
- **Adjusted EPS: \$1.98** (+18% YoY).
- **Operating Margins: 23%**, up 140 basis points.
- **Free Cash Flow: \$1.5 billion** with conversion of **141%**.
- **Shareholder Returns: \$1.1 billion** returned via dividends and share repurchases.

Segment Performance and Outlook

1. **Safety and Industrial:**
 - **Performance:** Modest growth in adhesives, tapes, and roofing granules offset softness in other industrial markets.
 - **Outlook:** Continued momentum in adhesives and roofing segments expected to drive growth in Q4.
2. **Transportation and Electronics:**
 - **Performance:** Electronics up high single digits; aerospace performed well, while automotive declined mid-single digits.
 - **Outlook:** Growth expected from advanced materials and semiconductors, supported by NPIs.
3. **Consumer:**
 - **Performance:** Sales declined slightly, with growth in home improvement offset by softness in other segments.
 - **Outlook:** Positive momentum expected in Q4, driven by holiday demand and new product launches.

Airbus SE (ENXTPA:AIR)

Outlook: Neutral

AL Outlook: Positive

Recommended Action: Monitor job reductions in other segments and the production ramp-up progress and supply chain stability at the Mobile facility to ensure alignment with Airbus's global narrowbody aircraft delivery goals

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

Key Takeaways

- 1. Strong Delivery Momentum Despite Supply Chain Challenges:**
 - Airbus delivered **497 aircraft YTD**, compared to **488** last year, with Q4 expected to remain **backloaded** to meet the full-year target
 - et of **770 aircraft** deliveries.
 - The **A321XLR** achieved a significant milestone with its **first delivery** to Iberia, underscoring progress in ramping up new aircraft programs.
 - Narrowbody ramp-up plans remain on track with the goal of producing **75 A320 aircraft/month by 2027**, though supply chain disruptions, particularly in engines, continue to present challenges.
- 2. Resilient Backlog and Robust Demand:**
 - Gross orders reached **667 aircraft YTD**, bringing Airbus's backlog to a record **8,749 aircraft**, driven by sustained demand for the **A320 family** and **widebodies** (A330neo and A350).
 - Strong performance in **Helicopters** with **308 net orders**, reflecting increasing demand in both civil and military markets, including 43 orders for the **H225 family**.
 - Airbus's Defense and Space division achieved **€11 billion** in orders YTD, including significant satellite contracts under its selective bidding strategy.
- 3. Operational Focus and Transformation in Defense and Space:**
 - Airbus is implementing a **workforce adaptation plan** in Defense and Space, targeting **2,500 job reductions** by mid-2026 to improve efficiency and competitiveness.
 - The space segment remains under pressure, with ongoing program reviews and strategic alternatives being considered to address long-term profitability challenges.
 - The company reiterated its guidance for **2024**, targeting **€5.5 billion EBIT adjusted** and **€3.5 billion free cash flow before customer financing**.

Alabama Operations

- Airbus's Mobile facility continues to play a central role in the **A320** and **A220** production ramp-up strategy.
- Mobile's production aligns with Airbus's global goals to meet high demand for narrowbody aircraft, especially the **A321** model, which now represents **58% of A320 family deliveries**.

Business Expansions & Capital Expenditure Plans

- **CapEx Guidance:** FY 2024 CapEx is expected to grow to **€2.7 billion**, reflecting investments in industrial systems, narrowbody production ramp-up, and supply chain stabilization.

- **Defense and Space Investments:** Focused on modernizing operations while optimizing the European space landscape for competitiveness.
- Airbus is actively working on industrial innovations to improve **production efficiency** and meet record backlog demand.

Operational Highlights

- **Commercial Aircraft:**
 - Delivered **396 A320 family aircraft**, with 231 A321s accounting for 58% of deliveries, highlighting increasing demand for larger narrowbodies.
 - **Supply chain challenges**, particularly in **engine deliveries** from Pratt & Whitney and CFM, remain key bottlenecks impacting the production schedule.
- **Helicopters:**
 - Strong demand with **308 net orders**, including civil and military contracts. Services revenue and favorable product mix supported profitability.
- **Defense and Space:**
 - Orders reached €11 billion YTD, including significant satellite and Air Power program wins.
 - Transformation initiatives are underway, including **workforce restructuring** to address underperformance in the space segment.

Financial Highlights

- **Revenue: €44.5 billion** (+5% YoY), reflecting higher aircraft deliveries and growth in Air Power programs.
- **Adjusted EBIT: €2.8 billion** (down from €3.6 billion in 2023), impacted by charges in the **Space business**.
- **Free Cash Flow: -€0.8 billion**, driven by inventory buildup to support Q4 deliveries and the ramp-up of production.
- **Backlog: Record 8,749 aircraft**, supporting multi-year visibility and growth opportunities.

Segment Performance and Outlook

1. **Commercial Aircraft:**
 - **Performance:** Revenue growth driven by higher deliveries. A321XLR achieved first delivery milestone.
 - **Outlook:** Continued progress toward 770 deliveries in 2024; challenges persist in the supply chain, particularly for engines and cabin equipment.
2. **Helicopters:**
 - **Performance:** Favorable mix and strong demand, with net orders up **61% YoY**. Services revenue continues to grow.
 - **Outlook:** Positive momentum in civil and military markets expected to continue.
3. **Defense and Space:**
 - **Performance:** Revenue growth supported by Air Power programs; EBIT impacted by space program charges.
 - **Outlook:** Workforce and operational transformation expected to improve competitiveness; ongoing program reviews may lead to further adjustments.

Boeing Co. (NYSE:BA)

Outlook: Negative

AL Outlook: Neutral

Recommended Action: Monitor supply chain stability and workforce adjustments at the Huntsville facility to ensure its continued contribution to Boeing's defense and space programs amid broader operational disruptions

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

Key Takeaways

- Operational Disruptions and Financial Strain:**
 - Boeing reported a **core loss per share of \$10.44** due to continued work stoppages, **\$5 billion in pre-tax charges**, and supply chain delays impacting major programs.
 - Free cash flow usage for Q3 totaled **-\$2 billion**, driven by deferred deliveries and increased working capital requirements.
 - Despite production challenges, Boeing's backlog remains strong at **\$428 billion**, with **5,400 commercial airplanes** still in the queue.
- Production Stabilization Challenges:**
 - The **737 program** faced delays from an **IAM union work stoppage** and supplier disruptions, pushing the target of achieving **38 per month** production into 2025.
 - The **777X program** experienced an additional **\$2.6 billion charge**, with first deliveries delayed to **2026** due to certification and testing issues.
 - Supply chain inconsistencies in engines, heat exchangers, and components continue to delay **787 Dreamliner** deliveries.
- Long-Term Strategy and Turnaround Efforts:**
 - CEO Robert Ortberg emphasized the need for a **cultural transformation** at Boeing, with a focus on restoring operational discipline and improving risk management.
 - A workforce reduction plan will target **overhead inefficiencies** while retaining essential production and engineering roles to support long-term recovery.
 - Portfolio reviews and capital structure adjustments, including potential **equity-linked offerings**, will focus on stabilizing the balance sheet and maintaining Boeing's **investment-grade credit rating**.

Alabama Operations

- Boeing's **Huntsville facility** supports its defense and space programs, contributing to missile defense systems and aerospace innovations.
- While Huntsville's role remains integral, no specific updates were provided for Alabama operations in this quarter's earnings call.

Business Expansions & Capital Expenditure Plans

- CapEx Guidance:** Boeing maintained its annual CapEx estimate of **\$1.8 billion**, with investments prioritized for supply chain recovery, safety enhancements, and production stabilization.

- **Workforce Adjustments:** Focused on streamlining non-critical activities while retaining key engineering and production staff to avoid further delays.
- **Portfolio Simplification:** Ongoing evaluations of underperforming programs and contracts to reduce risk exposure and improve profitability.

Operational Highlights

- **737 Program:**
 - Production delays caused by the IAM work stoppage have impacted supplier readiness, requiring careful ramp-up plans.
 - FAA-imposed **38-per-month cap** remains in place until Boeing achieves measurable safety and quality improvements.
- **777X Program:**
 - Additional **\$2.6 billion charge** reflects delays in flight testing and certification processes, with first deliveries rescheduled to **2026**.
- **787 Program:**
 - Production remains at **4 per month**, with plans to increase to **5 per month by year-end** despite ongoing component shortages.

Financial Highlights

- **Revenue: \$17.8 billion** (-1% YoY), reflecting lower widebody deliveries and work stoppage impacts.
- **Core Loss: -\$10.44 per share**, driven by charges on the 777X and defense programs.
- **Free Cash Flow: -\$2 billion** for Q3; FY 2025 is expected to see further usage but with significant improvement over 2024.
- **Debt:** Maintained at **\$57.7 billion**; Boeing has access to **\$20 billion in credit facilities** to support liquidity needs.

Segment Performance and Outlook

1. **Boeing Commercial Airplanes (BCA):**
 - **Performance:** Delivered **116 airplanes**, down due to work stoppages and supplier disruptions.
 - **Outlook:** Production recovery expected to improve gradually in 2025, with normalization targeted for late next year.
2. **Boeing Defense, Space & Security (BDS):**
 - **Performance:** Revenue of **\$5.5 billion** with margins of **-43.1%**, impacted by \$2 billion in charges on fixed-price contracts (T-7A, KC-46A, MQ-25).
 - **Outlook:** Stabilization of development programs remains critical to medium-term profitability.
3. **Boeing Global Services (BGS):**
 - **Performance:** Revenue grew **2%** to **\$4.9 billion**; operating margin improved to **17%**.
 - **Outlook:** Services business remains a reliable cash flow driver with mid-single-digit growth expectations.

Canfor Corp. (TSX:CFP)

Outlook: Negative

AL Outlook: Positive

Recommended Action: Monitor the ramp-up of the new Axis sawmill and SYP price trends to assess the impact on Canfor's Alabama operations and overall profitability

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

- 1. Significant Losses Due to Weak Lumber Pricing and Duties:**
 - Q3 saw an **operating loss of \$336 million**, including **\$100 million in asset write-downs** and **\$121 million in U.S. duty-related adjustments**.
 - Persistent **Southern Yellow Pine (SYP)** price weakness and elevated production costs in British Columbia drove underperformance.
 - European operations remained **marginally profitable** despite rising log costs, supported by specialty product focus and export markets.
- 2. Strategic Focus on U.S. South and Capital Investments:**
 - Production began at the new **Axis, Alabama sawmill**, with a capacity of **250 million board feet annually**.
 - The **Urbana modernization project** in the U.S. South is ramping up, expected to add **115 million board feet annually**.
 - Canfor's capital investments in the U.S. South aim to offset higher costs and capacity curtailments in British Columbia.
- 3. Market Recovery and Supply Adjustments:**
 - Lumber prices have shown modest improvement in Q4 as **supply-side curtailments** reduce oversupply, particularly in SYP markets.
 - Repair and remodel (R&R) activity and housing demand remain **subdued** but are expected to improve as interest rates stabilize in 2025.
 - Global lumber demand is expected to gradually recover, with Canfor positioned to benefit from **low-cost Southern U.S. capacity** expansions.

Alabama Operations

- The new **Axis sawmill** began production this quarter, contributing **low-cost capacity** to Canfor's Southern Yellow Pine platform.
- The facility's ramp-up is expected to support profitability as SYP pricing stabilizes into 2025.

Business Expansions & Capital Expenditure Plans

- **CapEx Outlook:** Total capital expenditures of **\$450 million** for FY 2024, with a significant focus on U.S. South projects.
- **2025 CapEx Guidance:** Lowered to **\$250-\$300 million**, reflecting the completion of major projects like **Axis** and **Urbana**.
- **Capacity Growth:** The **Axis sawmill** (250M board feet) and **Urbana upgrade** (115M board feet) will add substantial low-cost production capacity.

Operational Highlights

- **Southern Yellow Pine (SYP):**
 - Weak pricing continued to pressure profitability, though supply reductions are stabilizing market conditions.
 - U.S. South facilities, including Alabama, remain critical to Canfor's low-cost production strategy.
- **British Columbia:**
 - Closure of **Plateau** and **Fort St. John mills** will remove over **1 billion board feet** of annual capacity due to fiber supply challenges.
- **European Operations:**
 - Marginally profitable despite rising log costs; focus on high-value products and flexible market positioning.

Financial Highlights

- **Revenue: C\$1.2 billion** (+5% YoY), driven by improved European and U.S. South shipments.
- **Operating Loss: C\$336 million**, including asset write-downs and duty adjustments.
- **Adjusted Operating Loss: C\$129 million**, reflecting weak pricing and high costs.
- **CapEx: C\$117 million** in Q3, with major U.S. South projects nearing completion.

Segment Performance and Outlook

1. **Lumber:**
 - **Performance:** Losses driven by weak SYP pricing, elevated costs, and U.S. duty-related adjustments.
 - **Outlook:** Gradual improvement expected in 2025 as supply curtailments stabilize pricing and U.S. South capacity ramps up.
2. **Pulp:**
 - **Performance:** Adjusted operating income of **C\$2 million**, supported by improved sales realizations despite lower production.
 - **Outlook:** Challenges remain in fiber supply, particularly in British Columbia.
3. **European Operations:**
 - **Performance:** Marginal profitability due to rising log costs and seasonally lower production.
 - **Outlook:** Focus remains on high-value specialty products and flexible market opportunities.

Chemtrade Logistics Income Fund (TSX: CHE.UN)

Outlook: Positive

AL Outlook: Positive

Recommended Action: N/A

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

Key Takeaways

- 1. Resilient Performance and Earnings Stability:**
 - **EBITDA** for Q3 reached **\$135 million**, marking a **1.9% YoY improvement**, despite challenges such as rail stoppages and year-over-year comparison with a record Q3 2023.
 - Strong performance in the **Water Chemicals** segment, driven by higher pricing and improved capacity for **PAC and ACH** products.
 - Continued stability in **Electrochemicals (EC)** with realized MECU netbacks increasing by **5% YoY**; caustic soda pricing began to recover sequentially.
- 2. Growth Investments and Capital Discipline:**
 - Chemtrade invested **\$19 million** in growth CapEx during Q3, with projects in **ultrapure acid** and water chemicals contributing to long-term value.
 - The **Cairo, Ohio ultrapure acid project** is on schedule, with ramp-up to begin in **Q1 2025**, positioning Chemtrade to capitalize on the North American semiconductor expansion.
 - New specialty water chemical production in **Augusta, Georgia** is expected to start operations in **H1 2025**, supporting growing municipal and industrial water treatment demand.
- 3. Strong Balance Sheet and Shareholder Returns:**
 - Chemtrade's net debt-to-EBITDA ratio remains low at **1.8x**, supported by **\$600 million** in available liquidity.
 - The company returned capital to shareholders through an **attractive monthly distribution** and unit buybacks, purchasing **2.6 million units** during the quarter under its NCIB program.

Alabama Operations

- The **Decatur plant** supports Chemtrade's water chemicals operations, contributing to strong performance in **PAC** and **ACH** production for municipal and industrial water treatment markets.

Business Expansions & Capital Expenditure Plans

- **CapEx Guidance:** Full-year 2024 CapEx lowered to **\$70-\$80 million**, reflecting slight delays in project execution.
- **Ultrapure Acid Expansion:** Cairo facility to ramp production in early 2025, addressing semiconductor market demand.
- **Water Chemicals Expansion:** Specialty water chemical line in **Augusta, GA**, scheduled for completion in **H1 2025**, will support growing demand for higher-value products.

Operational Highlights

- **Water Chemicals:**
 - Strong performance driven by higher pricing and expanded capacity for **PAC** and **ACH** products.
 - Sulfur cost increases are being addressed through repricing of contracts as they renew.
- **Electrochemicals (EC):**
 - Realized MECU netbacks improved by **\$115 YoY**, led by higher caustic soda and hydrochloric acid pricing.
 - Sodium chlorate volumes were lower due to customer production curtailments, with operations consolidated into the **Brandon, Manitoba** facility.
- **Resilience in Sulfuric Acid:**
 - Regen acid and merchant acid performance remains stable, supported by refinery operating rates and risk-sharing agreements that mitigate pricing volatility.

Financial Highlights

- **Revenue: \$474 million** (+1.6% YoY).
- **EBITDA: \$135 million**, up **1.9%** adjusting for the sale of P2S5 and rail disruptions.
- **Adjusted Free Cash Flow:** Strong cash generation supporting shareholder returns and growth projects.
- **Leverage:** Net debt-to-EBITDA at **1.8x**; liquidity remains robust at **\$600 million**.

Segment Performance and Outlook

1. **Sulphur and Water Chemicals (SWC):**
 - **Performance:** Growth in PAC and ACH pricing and volumes, offsetting rail disruption costs.
 - **Outlook:** Continued demand growth driven by water treatment regulations and capacity expansions.
2. **Electrochemicals (EC):**
 - **Performance:** Stable MECU netbacks; sodium chlorate volumes down due to customer curtailments.
 - **Outlook:** Caustic soda pricing improvement expected to continue, with stable chlorine and HCl demand into 2025.

Constellium N.V. (NYSE:CSTM)

Outlook: Negative

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

1. **Operational Challenges from Flooding and Market Weakness:**

- Adjusted EBITDA decreased to **€110 million**, impacted by **€17 million** in losses due to flooding at the Valais, Switzerland facility. Excluding this, EBITDA would have been **€130 million**.
 - Shipment volumes declined **5%** to **352,000 tons** YoY, driven by weakness in **automotive** and **industrial markets** in North America and Europe.
 - **Packaging demand** remained stable, while aerospace growth softened as supply chain challenges pushed orders into 2025.
2. **Strategic Investments and Cost Management:**
- New **recycling and casting center** in **Neuf-Brisach** started production ahead of schedule, supporting cost reductions and sustainability goals.
 - The **Muscle Shoals facility** showed improved production and operational stability, contributing to a **strong packaging segment** performance.
 - Vision 2025 cost improvement program remains on track, targeting over **€25 million** in annual savings through efficiency initiatives and fixed-cost reductions.
3. **Soft Demand in Key Segments with a Focus on Long-Term Growth:**
- Automotive shipments declined **6%**, particularly in **luxury and EV markets** in North America and Europe, reflecting weaker consumer demand and OEM production cuts.
 - Industrial and specialty shipments fell sharply by **35%**, primarily in Europe and North America, with no recovery expected in Q4.
 - Long-term trends in **packaging** and **aerospace** remain positive, driven by demand for sustainable materials and backlogs at OEMs.

Alabama Operations

- The **Muscle Shoals facility** continues to play a key role in Constellium's packaging business, benefiting from improved operational performance and steady can sheet demand.
- Ongoing focus on operational excellence and sustainability aligns with Constellium's broader strategy to strengthen its position in North America.

Business Expansions & Capital Expenditure Plans

- **CapEx Guidance:** Revised to **€210 million** for 2024, with priority on recycling and modernization projects to support efficiency and sustainability.
- **Neuf-Brisach Recycling Center:** Operational ahead of schedule, reducing costs and improving the company's low-carbon footprint.
- Continued investments in Muscle Shoals and other facilities are expected to improve production efficiencies and cost structures.

Operational Highlights

- **Packaging & Automotive Rolled Products (P&ARP):**
 - EBITDA decreased **9%** YoY to **€61 million**, reflecting stable packaging demand and weaker automotive shipments.
 - Packaging volumes grew **3%**, offset by a **6% decline in automotive** demand.
- **Aerospace & Transportation (A&T):**
 - EBITDA declined **41%** to **€47 million**, driven by flood-related disruptions and weaker aerospace orders.
 - Backlog remains robust, though supply chain issues at OEMs have delayed deliveries into 2025.
- **Automotive Structures & Industry (AS&I):**

- EBITDA dropped **61%** to **€10 million**, with industrial shipments down **35%**.
- Cost reductions partially offset lower volumes.

Financial Highlights

- **Revenue: €1.6 billion** (-5% YoY), reflecting weaker volumes and mix.
- **Adjusted EBITDA: €110 million** (down from €168 million YoY).
- **Net Income: €3 million**, compared to **€64 million** in Q3 2023, primarily due to flood-related losses.
- **Free Cash Flow: Negative €10 million**, including **€6 million** of costs related to the Valais flooding.

Segment Performance and Outlook

1. **Packaging & Automotive Rolled Products (P&ARP):**
 - **Performance:** Stable packaging demand; automotive weakness continues.
 - **Outlook:** Steady growth expected in packaging as can sheet demand remains resilient.
2. **Aerospace & Transportation (A&T):**
 - **Performance:** Lower aerospace mix and flood-related costs impacted results.
 - **Outlook:** Backlog remains strong, with demand recovery expected in **H2 2025**.
3. **Automotive Structures & Industry (AS&I):**
 - **Performance:** Sharp declines in industrial volumes due to weak market conditions.
 - **Outlook:** No near-term recovery expected; cost reductions to mitigate margin impact.

Evonik (XTRA:EVK)

Outlook: Positive

AL Outlook: Positive

Recommended Action: Monitor progress of backward integration of Mobile facility.

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

Key Takeaways

- **Improved Profitability:** EBITDA margin increased to **15%** (+5 bps YoY) due to cost-saving initiatives.
- **Portfolio Realignment:** Divestment of underperforming businesses (Health Care, Coating & Adhesive Resins) to improve margins.
- **Innovation Focus:** Targeting €1.5 billion in new sales by 2032 in **Biosolutions, Circular Economy, and Energy Transition**.

Alabama Operations

- **Mobile Plant:** Methionine backward integration starting in **H2 2025**, enhancing cost competitiveness.
- Key site for Evonik's global methionine production with long-term strategic importance.

Business Expansions & Capital Expenditure Plans

- **Cost Savings:** €525 million in gross savings by 2025 through Evonik Tailor Made program.
- **CapEx:** Increasing to €800 million in 2025 for growth and operational improvements.
- **Divestments:** Exiting non-core Health Care and Coating businesses by end-2025.

Operational Highlights

- **Nutrition & Care:** 3% volume growth led by **Animal Nutrition** and **Care Solutions**; growth expected at 3-4% in 2025.
- **Smart Materials:** Silica volumes up **6%**, driven by tire replacements and specialty silicas.
- **Specialty Additives:** Strong **8% volume growth**, with market share gains in oil additives, foams, and coatings.

Financial Highlights

- **Revenue:** €3.98 billion, stable sequentially.
- **EBITDA Margin:** **15%**, reflecting cost savings and portfolio improvements.
- **Free Cash Flow:** On track for a **40% cash conversion** for FY 2024.

Segment Performance and Outlook

1. **Nutrition & Care:**
 - Volume growth **3%**; strong outlook in Asia for Animal Nutrition.
 - Backward integration to optimize methionine costs in 2025.
2. **Smart Materials:**
 - **Silica** demand up 6%, with growth in tires, food, and electronics.
 - High-Performance Polymers improving in automotive and additive manufacturing.
3. **Specialty Additives:**
 - Volume growth **8%**; strong gains in oil additives and coatings despite a weak macro environment.

Interfor Corp. (TSX:IFP)

Outlook: Neutral

AL Outlook: Neutral

Recommended Action: Monitor production levels and potential capacity cuts at the Belk sawmill to assess its positioning amid broader supply adjustments in the U.S. South

Alabama Location(s): Belk: Sawmill

Key Takeaways

1. **Challenging Quarter Amid Weak Pricing:**
 - Adjusted EBITDA was **-C\$22 million** due to weak lumber prices and a 10% decline in shipment volumes.

- Announced plans to exit **Quebec** and indefinite closures of two mills in the **U.S. South** (Meldrim, GA and Summerville, SC) due to persistently low lumber prices, high operating costs, and regional overcapacity, as part of its strategic focus on optimizing resources and improving profitability.
- 2. **Industry Capacity Cuts and Market Recovery Signals:**
 - Over **10% of industry capacity** has been curtailed, particularly in the **U.S. South** and **British Columbia**.
 - Lumber prices have rebounded by **20%** since July 2024, driven by supply cuts and improving demand.
- 3. **Improving Outlook for 2025:**
 - Housing demand remains resilient, particularly in single-family and multifamily construction, with further recovery expected as interest rates decline.
 - Repair and remodel (R&R) markets are projected to improve, supported by aging housing stock and future rate reductions.

Alabama Operations

- The **Belk sawmill** is part of Interfor's strategic U.S. South operations.
- While two U.S. South mills faced indefinite closures, operations in Alabama remain positioned to benefit from future market tightening.

Business Expansions & Capital Expenditure Plans

- **CapEx for 2024:** Maintained at **C\$70 million**.
- **2025 CapEx Guidance:** Preliminary outlook set at **C\$75 million** to optimize production efficiency.
- **Strategic Asset Sales:** Proceeds from Quebec divestments and B.C. forest tenure sales to generate over **C\$30 million** in Q4 and into 2025.

Operational Highlights

- **Production Adjustments:** Reduced production across platforms to align with weak market conditions.
- **Lumber Demand Outlook:** Supply curtailments are expected to support higher prices in 2025, with customers increasingly securing **volume contracts**.
- **Repair & Remodel Market:** Anticipating recovery as interest rates decline, driving demand for R&R and housing-related lumber products.

Financial Highlights

- **Revenue:** **C\$693 million** (-10% QoQ).
- **Adjusted EBITDA:** **-C\$22 million**, reflecting lower prices and volumes.
- **Net Loss:** **C\$106 million**, including **C\$91 million in impairments** from Quebec sale and U.S. South mill curtailments.

Segment Performance and Outlook

1. **U.S. South Operations:**
 - Production adjusted for supply-demand balance; significant **40% capacity cuts** seen across the region.

- Positioned for recovery as lumber prices improve.
- 2. **Canada Operations:**
 - Exiting Quebec due to shrinking fiber supply caused by environmental policies and forest fires.
 - B.C. operations rationalized with ongoing divestment of forest tenures.
- 3. **Repair & Remodel Market:**
 - R&R market expected to improve in 2025 as housing affordability challenges ease.
 - Aging housing stock and pent-up demand are key drivers.

International Paper Co. (NYSE:IP)

Outlook: Neutral

AL Outlook: Neutral

Recommended Action: Proactively identify potential greenfield/brownfield sites for IP expansion.

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

Key Takeaways

1. **Strategic Transformation and Optimization:**
 - International Paper is restructuring operations with a focus on **cost reduction** and improved productivity using the **80/20 strategy** to simplify operations and prioritize key customers.
 - Closed 5 underperforming plants and exited **300,000 tons** of commodity production at the Georgetown mill to improve profitability and focus on higher-value segments.
 - Actively evaluating **strategic options** for its Global Cellulose Fibers (GCF) segment to unlock long-term value.
2. **Operational Performance and Improvement Initiatives:**
 - **Productivity pilots** across two box plant regions resulted in **20-30% efficiency improvements**, which will be scaled to other facilities.
 - Targeting improvements in **reliability** and **customer service** through investment in equipment upgrades and specialized regional production models.
 - Commercial initiatives, including restructuring customer contracts, are expected to enhance long-term margins despite near-term volume trade-offs.
3. **Financial and Market Recovery:**
 - Adjusted EPS was **\$0.44**, outperforming expectations, driven by higher prices, improved product mix, and execution of **Box Go-to-Market strategy**.
 - Industrial Packaging performance improved with higher export prices and price index gains offsetting seasonally lower box shipments.
 - Global demand is **stable to improving**, particularly in **North America**, while European markets face some softness.

Alabama Operations

- Alabama's **containerboard plants** and **corrugated sheet plants** play a vital role in International Paper's North American operations.
- The **Selma paper mill** continues to support product demand and contribute to overall network reliability as the company optimizes production assets.

Business Expansions & Capital Expenditure Plans

- Focused investments in **greenfield and brownfield projects** to optimize box plant capacity and address customer demand.
- CapEx guidance remains robust as the company prioritizes **regional specialization** and equipment upgrades to improve productivity.

Operational Highlights

- **Plant Optimization:** 5 plant closures streamlined capacity while retaining strategic customers; productivity pilots demonstrated significant efficiency gains.
- **Mill System:** Efforts to reduce complexity and increase reliability, particularly targeting bottlenecks in key production areas.
- **Strategic Customer Focus:** Improved order mix and reduced changeover times through segmentation efforts, leading to better service and cost efficiency.

Financial Highlights

- **Revenue: \$4.69 billion** (-0.3% YoY), reflecting stable market conditions.
- **Adjusted EPS: \$0.44**, driven by higher prices and strategic initiatives.
- **Industrial Packaging:** Price and mix improvements added **\$70 million** in earnings; higher costs and reliability issues partially offset gains.
- **Global Cellulose Fibers (GCF):** Evaluating strategic options, with planned closures reducing complexity and costs.

Segment Performance and Outlook

1. **Industrial Packaging:**
 - Price and mix gains from index movements and export improvements.
 - Operational cost pressures are easing as reliability improves; Q4 expected to deliver higher earnings.
2. **Global Cellulose Fibers (GCF):**
 - Exiting **low-value specialty grades** improves focus on higher-margin **fluff pulp**.
 - Strategic evaluation for GCF underway; Q4 will see **accelerated depreciation** related to facility closures.

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

Outlook: Neutral

AL Outlook: Neutral

Recommended Action: N/A

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

Key Takeaways

1. **Strong Performance Across Segments:**
 - JBS delivered **\$20 billion** in net revenue (+2.8% YoY) and **\$2.2 billion** in adjusted EBITDA with a **10.8% margin**, reflecting operational excellence and strong global demand.
 - **Seara** achieved a record-breaking **21% EBITDA margin**, supported by favorable grain costs, higher-value product focus, and operational improvements.
 - The **U.S. Pork** division posted a **12.1% margin**, driven by cost management, increased sales volumes, and demand substitution from higher beef prices.
2. **Operational and Strategic Initiatives:**
 - Continued **portfolio diversification** with an emphasis on value-added products, brands, and regional expansions, including investments in aquaculture and chicken production in Saudi Arabia.
 - Efforts to optimize operations have resulted in productivity gains across key markets despite challenges in the U.S. cattle cycle.
 - Leverage dropped to **2.15x** net debt/EBITDA, supported by strong cash flow generation and a \$1 billion debt reduction.
3. **Global Demand and Financial Discipline:**
 - Robust international demand for beef and pork products boosted margins, especially in **Brazil and Australia**, benefiting from livestock cycle improvements.
 - Free cash flow increased **65% YoY** to **\$1 billion** for the quarter, driven by higher profitability and disciplined CapEx spending of **\$321 million**.

Alabama Operations

- JBS's poultry production facilities in **Russellville, Guntersville, and Enterprise** continue to support overall U.S. operations, which performed well with strong seasonal demand for pork and poultry.

Business Expansions & Capital Expenditure Plans

- **CapEx:** \$321 million for Q3, with 60% allocated to maintenance; full-year estimate remains at **\$1.3 billion**.
- **Aquaculture Expansion:** Investment in Huon Aquaculture to grow salmon production in Australia.
- **Saudi Arabia Facility:** New Seara plant to quadruple local chicken product capacity, supporting regional growth.

Financial Highlights

- **Revenue:** **\$20 billion** (+2.8% YoY).
- **Adjusted EBITDA:** **\$2.2 billion** (10.8% margin).
- **Free Cash Flow:** **\$1 billion**, up 65% YoY.
- **Net Debt:** Reduced by **\$1 billion** to **\$13.7 billion**; leverage fell to **2.15x** net debt/EBITDA.

Segment Performance and Outlook

1. **Seara:**
 - EBITDA margin of **21%**, supported by grain cost improvements and product mix diversification.
 - Outlook: Continued growth driven by value-added products and international demand.

2. **Brazil Beef:**
 - Strong export volumes and lower cattle costs drove **11.6% EBITDA margin**.
 - Outlook: Cattle price fluctuations expected; margins stabilizing toward historical levels.
3. **U.S. Pork:**
 - Delivered **12.1% EBITDA margin** due to strong demand, cost management, and value-added product growth.
 - Outlook: Performance expected to remain solid, driven by continued seasonal demand and operational excellence.
4. **U.S. Beef:**
 - Challenged by the cattle cycle; operational improvements targeting additional **1.5%-2%** margin gains.
 - Outlook: Recovery anticipated in **H2 2025** as herd rebuilding begins.
5. **Pilgrim's Pride:**
 - Strong performance in poultry markets, particularly in **Europe, Mexico, and the U.S.**, with a **16.9% EBITDA margin**.
 - Outlook: Continued focus on value-added portfolio and partnerships with key customers.

Louisiana-Pacific Corporation (NYSE:LPX)

Outlook: Neutral

AL Outlook: Neutral

Recommended Action: Position Alabama as a potential location for siding mill expansion project.

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

Key Takeaways

1. **Strong Siding Growth Offsetting OSB Weakness:**
 - Siding segment revenue grew **22% YoY** to **\$420 million**, driven by a **15% volume increase** and a **6% price improvement**.
 - ExpertFinish products set record highs for both **volume** and **margins** as prefinishing efficiencies improved.
 - Lower **OSB commodity prices** impacted results, reducing revenue by **\$88 million YoY**.
2. **Operational Efficiency and Cash Flow Strength:**
 - Operating cash flow reached **\$184 million**, reflecting disciplined cost control and strong Siding performance.
 - Capital expenditures totaled **\$44 million**, with CapEx plans increasing to **\$350-\$375 million** in 2025 to support new Siding capacity.
 - Nearly **\$900 million** in liquidity provides flexibility for investments and shareholder returns.
3. **Market Outlook and Capacity Expansion Plans:**
 - Demand for **new construction** and improving repair and remodel (R&R) markets remain key growth drivers into 2025.
 - LP announced a **4-5% price increase** for Siding effective January 1, 2025, which is expected to strengthen Q1 results.

- Evaluating multiple options for adding **Siding capacity**, including conversions of existing mills, expansions, and greenfield projects.

Alabama Operations

- LP's **Hanceville** and **Thomasville** facilities contribute to OSB production, which faced headwinds from lower commodity prices in Q3.
- Despite the OSB market weakness, Alabama operations remain strategically important as LP continues to optimize its production network.

Business Expansions & Capital Expenditure Plans

- **CapEx Guidance:** Increasing to **\$350-\$375 million** in 2025, including **\$100-\$125 million** for the next Siding mill project. Indicated new facility or expansion of existing siding facility in the next 2 years.
- **Capacity Expansion:** Exploring options for adding Siding capacity, with final decisions expected in 2025 based on **capital efficiency** and **regional demand**.
- **South America Investment:** Partnered in a modular housing joint venture to drive regional growth and promote engineered wood adoption.

Operational Highlights

- **Siding Segment:**
 - Delivered record EBITDA of **\$123 million** with a **29% margin**, driven by ExpertFinish growth and higher volumes.
 - Sales and marketing investments boosted demand in key regions and supported continued market share gains.
- **OSB Segment:**
 - Revenue declined **12% YoY** due to lower commodity prices, though operating efficiencies helped mitigate margin compression.
 - Structural Solutions continues to grow as a percentage of OSB sales despite quarterly variability.
- **Market Dynamics:**
 - Housing starts remain stable at approximately **1.4 million annually**, with LP over-indexed to single-family construction.
 - R&R spending is expected to return to **positive YoY growth** in 2025, supporting Siding demand.

Financial Highlights

- **Revenue:** **\$722 million** (+6% YoY), with Siding gains offsetting OSB declines.
- **Siding EBITDA:** **\$123 million**, up significantly due to higher volume and improved margins.
- **Free Cash Flow:** **\$184 million**, driven by working capital inflows and cost management.
- **CapEx:** **\$44 million** in Q3; 2025 CapEx projected at \$350-\$375 million to fund capacity expansions.

Segment Performance and Outlook

1. **Siding:**
 - **Performance:** Revenue grew **22% YoY**; EBITDA margin expanded to **29%**.

- **Outlook:** Growth expected to continue into 2025, driven by demand in **new construction** and **R&R markets**.
- 2. **OSB:**
 - **Performance:** Lower commodity prices reduced revenue by **\$88 million YoY**.
 - **Outlook:** Seasonal downtime and pricing variability will impact Q4, though demand remains stable for Structural Solutions.
- 3. **South America:**
 - **Performance:** Joint venture investment in modular housing supports long-term growth and engineered wood adoption.
 - **Outlook:** Limited near-term impact but strategically aligned with market needs.

NFI Group Inc. (TSX:NFI)

Outlook: Neutral

AL Outlook: Neutral

Recommended Action: Monitor supply chain stability, particularly in bus seating availability at the Anniston facility, to ensure timely production recovery and support future delivery commitment

Alabama Location(s): Anniston - bus manufacturing facility

Key Takeaways

1. **Supply Chain Disruption and Adjusted Guidance:**
 - A significant **seat supply disruption** caused delays in delivering approximately **79 buses** and impacted production schedules.
 - Revised full-year guidance to **\$210-\$240 million** in adjusted EBITDA on revenue of **\$3.1-\$3.3 billion**, reflecting delivery delays.
 - Recovery actions include embedding NFI staff at the supplier site and onboarding an alternative **Buy America-compliant seat supplier** for 2025.
2. **Record Backlog and Strong Demand:**
 - NFI secured **1,050 new orders** in Q3, bringing the total year-to-date to **7,585 equivalent units (EUs)**, setting a record for order intake.
 - The company's backlog reached a record-high **\$12 billion**, equivalent to nearly **3 years of production**, with **40% of 2025 production slots already filled**.
 - Public transit funding remains robust under the **U.S. Infrastructure Investment and Jobs Act (IIJA)**, supporting future demand.
3. **Operational and Financial Improvements:**
 - Adjusted EBITDA improved **375% YoY** to **\$40 million**, driven by better pricing, higher margins, and aftermarket performance.
 - Manufacturing gross margins improved to **12.2%**, the highest since Q1 2021, despite lower deliveries.
 - Aftermarket revenue reached **\$153 million** (+7% YoY), delivering **\$34 million** in adjusted EBITDA with strong margins.

Alabama Operations

- The **Anniston facility** continues to support North American production, particularly for public transit buses.
- Operations remain stable despite the broader supply chain disruptions affecting seat availability.

Business Expansions & Capital Expenditure Plans

- **CapEx Guidance:** Expected to remain steady as NFI invests in ramping zero-emission bus (ZEB) capacity in Canada and operational improvements.
- **Canadian Capacity Expansion:** A new transit bus line in Canada is set to begin production in **late 2025**, freeing capacity for **U.S. production**.
- **Buy America Compliance:** Partnering with a European seat supplier to establish a compliant production line by H1 2025.

Operational Highlights

- **Supply Chain Challenges:**
 - Seat supply issues disrupted production and deliveries, with **113 buses awaiting seats** by Q4.
 - Production schedules were adjusted to prioritize completed buses for delivery as seats become available.
- **Backlog and Pricing:**
 - Average selling prices (ASP) increased by **17% for heavy-duty buses** and **14% for coaches** YoY, driven by inflation adjustments and ZEB adoption.
 - Zero-emission buses now represent **20-25% of deliveries**, with expected growth to **40% in 2025**.
- **Aftermarket Strength:**
 - Aftermarket delivered consistent growth, achieving record **\$136 million** EBITDA over the last 12 months.

Financial Highlights

- **Revenue:** **\$711 million** (-12.7% YoY), reflecting delivery shortfalls due to seat supply issues.
- **Adjusted EBITDA:** **\$40 million** (+375% YoY).
- **Net Loss:** **\$15 million**, a **62% improvement YoY**, reflecting operational recovery.
- **Free Cash Flow:** Positive for the quarter, with **\$47 million** in deferred revenue supporting liquidity.
- **Leverage:** Net leverage ratio improved to **5.19x** from 14.1x in 2023, with a target of **2-2.5x** by the end of 2025.

Segment Performance and Outlook

1. **Manufacturing:**
 - EBITDA improved by **\$31 million** despite lower deliveries.
 - Outlook: Recovery in Q4 deliveries as seat supply disruptions stabilize; 2025 deliveries expected to ramp up significantly.
2. **Aftermarket:**
 - Revenue: **\$153 million** (+7% YoY).
 - EBITDA: **\$34 million** (+8% YoY).
 - Outlook: Continued strength driven by recurring revenue streams and increased fleet maintenance.
3. **Zero-Emission Bus (ZEB) Transition:**
 - Represented **25% of Q3 deliveries**; expected to grow to **40% in 2025**.
 - Higher complexity and input costs for ZEBs remain manageable as margins improve.

Nucor Corp. (NYSE:NUE)

Outlook: Neutral

AL Outlook: Positive

Recommended Action: Monitor steel prices

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

- 1. Challenging Market Conditions and Margin Pressure:**
 - Nucor generated **\$1.49 EPS**, with EBITDA of **\$869 million**, down **50%** from Q2 due to lower steel pricing and seasonally lower volumes.
 - Steel imports remain a significant challenge, contributing to weaker margins, especially in the **sheet steel** segment.
 - Nucor continues to advocate for trade enforcement, including cases against **corrosion-resistant flat-rolled steel imports** from 10 countries.
- 2. Strategic Growth Investments:**
 - Capital expenditures for 2024 are expected to total **\$3.2 billion**, with two-thirds allocated to growth-oriented projects such as the **new West Virginia sheet mill** and the **automotive galvanizing line** in South Carolina.
 - Recent acquisitions, including **Rytec** (overhead doors) and **Southwest Data Products**, are being integrated, contributing to diversified product growth.
 - **Brandenburg Plate Mill** achieved record production and reached EBITDA breakeven earlier than anticipated.
- 3. Positive Demand Signals and Resilience:**
 - Strong demand from **infrastructure, semiconductor facilities, data centers**, and advanced manufacturing is offsetting declines in other markets.
 - Backlogs for **Joist & Deck** remain strong through Q1 2025, reflecting resilience in **construction-related steel products**.
 - Nucor's focus on higher-value segments, such as **coated products**, supports longer-term earnings stability amid pricing challenges.

Alabama Operations

- Nucor's facilities in Alabama, including **plate, tubes, joist, rebar, and metal buildings**, remain strategically positioned to serve infrastructure and construction markets.
- The **Tuscaloosa plate mill** benefits from growth in structural demand and niche products, while **Fort Payne** and **Eufaula** support rising construction activity.

Business Expansions & Capital Expenditure Plans

- **West Virginia Sheet Mill:** On track for completion in late 2026, with significant volumes expected in 2027.
- **Automotive Galvanizing Line:** South Carolina project targeting completion by mid-2026 to meet growing automotive demand.

- **Trade Advocacy:** Aggressively pursuing cases to address the influx of **low-emission imports** undermining domestic production.

Operational Highlights

- **Brandenburg Plate Mill:** Achieved record production in September, including shipments of high-value **monopile plate** for offshore wind projects.
- **Steel Products:** Backlogs for Joist & Deck are strong, and **tubular products** face headwinds due to weaker pricing and increased imports.
- **Raw Materials:** Recycling operations saw lower volumes and margins but are expected to stabilize in Q4.

Financial Highlights

- **Revenue: \$7.44 billion** (-6% QoQ) driven by lower pricing and volumes in the Steel Mills segment.
- **Adjusted EPS: \$1.49;** reported net income includes **\$123 million** in non-cash impairment charges.
- **EBITDA: \$869 million**, reflecting weaker sheet steel margins and pricing pressure.
- **CapEx: \$3.2 billion** for 2024, supporting strategic growth projects and operational improvements.
- **Shareholder Returns:** \$2.3 billion returned YTD through share buybacks and dividends, maintaining a healthy cash position of **\$4.9 billion**.

Segment Performance and Outlook

1. **Steel Mills:**
 - Performance: Pretax earnings of **\$309 million**, down **50% QoQ** due to lower realized prices, particularly in sheet mills.
 - Outlook: Volumes to decline seasonally in Q4, with continued pricing pressure from imports.
2. **Steel Products:**
 - Performance: Adjusted pretax earnings of **\$354 million**, down **20% QoQ**; strong demand for Joist & Deck products partially offset weaker tubular pricing.
 - Outlook: Strong backlogs for Joist & Deck into Q1 2025 provide stability, though pricing moderation is expected.
3. **Raw Materials:**
 - Performance: Adjusted pretax earnings of **\$17 million**, impacted by lower recycling margins.
 - Outlook: Margins expected to stabilize, driven by cost containment and demand recovery.

Olin Corporation (NYSE:OLN)

Outlook: Neutral

AL Outlook: Positive

Recommended Action: N/A

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

Key Takeaways

- Hurricane Beryl Impact and Operational Recovery:**
 - Olin's **Freeport facility** faced significant disruptions from Hurricane Beryl, resulting in **\$110 million** EBITDA impact for Q3 and an additional **\$25 million** expected in Q4.
 - Recovery is nearly complete, but temporary infrastructure will remain in place until mid-2025 to ensure operational stability.
 - Caustic soda demand was strong globally, driven by **alumina** and **pulp & paper** end markets, while chlorine demand remained steady with support from **vinyls** and **titanium dioxide**.
- Winchester Underperformance Due to Destocking:**
 - Commercial ammunition sales fell sharply as retailers reduced inventories, driven by sluggish consumer demand; Winchester EBITDA margins declined to **14%**.
 - Defense sales remained strong, supported by **U.S. Army contracts** at the **Lake City facility**. A **5-10% price increase** has been announced to offset rising input costs.
 - Winchester's military revenue base is expected to grow through ongoing project work, including construction of the **Next-Generation Squad Weapon Ammunition Facility**.
- Strategic Positioning and Future Outlook:**
 - Olin continues to focus on its **value-first commercial model**, prioritizing higher-margin opportunities rather than volume growth.
 - The **Chlor Alkali** business showed strong caustic pricing momentum, with export prices improving **30% sequentially**. EDC pricing also improved but remains disciplined.
 - The **epoxy segment** faces challenges from subsidized Asian imports, though antidumping duties from the **U.S. ITC** in November and similar European Union reviews in 2025 are expected to provide relief.

Alabama Operations

- Olin's **Mobile and McIntosh facilities** play a key role in the company's Chlor Alkali production, particularly in caustic soda and chlorine.
- Strong caustic soda pricing and demand trends positively impact these sites, which remain critical to Olin's U.S. Gulf Coast supply chain.

Business Expansions & Capital Expenditure Plans

- CapEx Reduction:** Capital spending is reduced to **\$200 million** for 2024 as part of cost control initiatives.
- Portfolio Focus:** Continued evaluation of low-performing assets and potential acquisitions in value-accretive areas.
- Epoxy Advocacy:** Pursuing antidumping duties in the U.S. and European Union to counter unfair competition from Asian imports.

Operational Highlights

- **Chlor Alkali and Vinyls:**
 - Caustic soda demand strengthened, particularly in export markets and end uses like **pulp & paper** and **alumina**.
 - Chlorine demand remains stable, though seasonal declines are expected in **water treatment** during Q4.
- **Epoxy:**
 - Stade, Germany turnaround progressing as planned; operations expected to resume in Q4.
 - Price increases were implemented in Q4, though volumes remain under pressure due to high Asian imports.
- **Winchester:**
 - Lower commercial ammunition demand from retailer destocking; price increases are expected to mitigate rising input costs.
 - Defense contracts and ongoing government projects support revenue stability into 2025.

Financial Highlights

- **Revenue: \$1.59 billion**, flat sequentially but impacted by Hurricane Beryl.
- **Adjusted EBITDA: \$165 million**, including **\$110 million** hurricane impact.
- **Net Debt:** Increased to **2.7x net debt/EBITDA**, with plans to reduce further in Q4.
- **Shareholder Returns:** Olin returned **60%** of operating cash flow to shareholders through dividends and share repurchases.

Segment Performance and Outlook

1. **Chlor Alkali and Vinyls:**
 - **Performance:** Caustic soda pricing improved globally, driven by tight supply and robust export demand (+30% QoQ).
 - **Outlook:** Chlorine demand expected to recover with stronger vinyls and industrial activity into 2025.
2. **Epoxy:**
 - **Performance:** Lower resin volumes and pricing challenges from subsidized Asian imports. Turnaround at Stade impacted Q3 results.
 - **Outlook:** Price increases and antidumping duties could stabilize margins in 2025.
3. **Winchester:**
 - **Performance:** Commercial ammunition volumes declined due to retailer destocking; defense sales remained strong.
 - **Outlook:** Growth expected through government projects and improved pricing to offset rising input costs.

Outokumpu Oyj (HLSE:OUT1V)

Outlook: Neutral

AL Outlook: Neutral

Recommended Action: Monitor the impact of rising Asian steel imports on market share and margins at the Calvert facility to assess competitiveness amid shifting North American demand

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

Key Takeaways

- 1. Solid Performance Despite Challenging Markets:**
 - Q3 Adjusted EBITDA increased to **€86 million** (up from **€56 million** in Q2), supported by strong margin management in **Europe** and improved performance in **Ferrochrome**.
 - Stainless steel deliveries decreased by **2%**, primarily driven by weak demand in North America, where imports from Asia rose to **28%**, the highest in 4 years.
 - Europe performed better, maintaining stable prices and recovering production levels post-political strikes earlier in the year.
- 2. Ferrochrome Strength Amid Market Challenges:**
 - The **Ferrochrome segment** delivered solid operational performance, benefiting from lower electricity costs and increased mine efficiency.
 - Production ramped up with the reactivation of a temporarily closed furnace to optimize energy usage; demand for **low-emission ferrochrome** remained resilient in Europe.
- 3. Cash Flow and Cost Control Remain Priorities:**
 - Working capital increased temporarily due to maintenance preparations and recovery from earlier production disruptions.
 - Planned **CapEx for 2024** is revised to **€210 million** (lower than the prior **€220 million**). Further working capital reductions are expected in Q4 to support cash flow.

Alabama Operations

- Outokumpu's operations in **Calvert**, Alabama, remained stable but faced headwinds from weaker demand in North America.
- Increased Asian imports and soft U.S. market conditions contributed to margin compression in the Americas segment.

Business Expansions & Capital Expenditure Plans

- **CapEx:** Revised full-year estimate of **€210 million**. Strategic CapEx for 2025 will remain within the **€600 million** ceiling for Phase 2 initiatives.
- **Energy Efficiency:** Optimizing ferrochrome production in Finland to capitalize on favorable electricity pricing.
- **Cost Focus:** Targeting €350 million in annual EBITDA improvements by the end of 2025, with a current run rate of **€265 million**.

Operational Highlights

- **Europe:**
 - Stable pricing and production recovery supported Q3 results, despite seasonally lower demand.
 - Imports rose to **27%**, yet Outokumpu maintained market share as the regional leader.
- **Americas:**
 - Stainless steel deliveries fell **8% QoQ**, driven by soft demand and the impact of flooding at a Mexico mill.
 - Asian imports reached **28%**, creating margin pressure despite Outokumpu retaining its market position.
- **Ferrochrome:**
 - Strong operational performance, with improved costs from energy optimization and mine efficiency.
 - Production levels expected to remain stable in Q4 unless additional demand emerges.

Financial Highlights

- **Revenue:** €1.58 billion, reflecting lower deliveries and pricing pressures.
- **Adjusted EBITDA: €86 million** (Q2: €56 million), driven by margin improvements in Europe and ferrochrome cost efficiencies.
- **CapEx:** €210 million planned for FY2024.
- **Net Debt:** Temporarily increased due to working capital buildup, but reductions are expected in Q4.

Segment Performance and Outlook

1. **Europe:**
 - **Performance:** Strong margin management and production recovery offset lower seasonal demand.
 - **Outlook:** Q4 expected to face headwinds from rising energy costs, planned maintenance, and continued pricing pressures from imports.
2. **Americas:**
 - **Performance:** Weak market conditions and margin squeeze from higher raw material costs and rising imports.
 - **Outlook:** Volumes and margins expected to remain soft in Q4; demand recovery may occur post-U.S. election.
3. **Ferrochrome:**
 - **Performance:** Solid profitability supported by improved operational efficiencies and lower electricity costs.
 - **Outlook:** Production will remain stable with optimization efforts continuing into Q4.

Packaging Corporation of America (NYSE:PKG)

Outlook: Positive

AL Outlook: Positive

Recommended Action: Identify sites that could accommodate planned box plant expansions.

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

Key Takeaways

- Record-Breaking Corrugated Volume and Operational Excellence:**
 - PCA achieved **record containerboard production** and **total box shipments**, with shipments per day up **11.1% YoY**.
 - Strong corrugated demand contributed to higher volumes, driving Packaging segment revenue to **\$2.0 billion** (+11% YoY).
 - Operational improvements and efficiency gains, supported by capital investments, delivered a segment margin of **22.2%**.
- Paper Segment Strength with Improved Margins:**
 - EBITDA margins in the Paper segment improved to **27.0%**, driven by strong demand during the back-to-school season and cost management.
 - Sales increased slightly to **\$159 million**, up **4% sequentially** from Q2, with better operating efficiencies contributing to results.
- Capital Allocation and Inventory Rebuilding Efforts:**
 - PCA's capital spending reached **\$147 million** in Q3, with plans for continued investments in **box plant upgrades** and new facilities.
 - The company aims to rebuild containerboard inventory by year-end after strong demand outpaced production targets in Q3.

Alabama Operations

- PCA's facilities in **Madison, Opelika, and Jackson** play a key role in supporting the Packaging and Paper segments.
- No specific updates were provided on Alabama operations, but ongoing box plant investments align with PCA's strategy to meet growing demand.

Business Expansions & Capital Expenditure Plans

- **CapEx Guidance:** Expected to reach **\$680-\$700 million** for 2024, including new investments in corrugated plants and equipment upgrades.
- **Facility Expansions:** New corrugated plant in **Glendale, Arizona**, is expected to start production in early 2025.
- **Future Plans:** PCA announced plans to build **two additional box plants** over the next 2-3 years to support long-term demand.

Operational Highlights

- **Packaging Segment:**

- EBITDA: **\$446 million**, up from \$374 million in Q3 2023.
- Strong demand in **e-commerce** and non-durables markets drove shipment growth.
- Price increases for containerboard and corrugated products were implemented as planned, with **export prices improving**.
- **Paper Segment:**
 - EBITDA: **\$43 million**, with margins rising to **27.0%**.
 - Volume increased **4% YoY** due to seasonal demand and operational efficiency at PCA's single paper mill.
- **Inventory Challenges:**
 - Strong demand prevented PCA from meeting inventory targets despite record production.
 - Inventory rebuild is expected by year-end, supported by lighter maintenance schedules in H1 2025.

Financial Highlights

- **Revenue: \$2.2 billion** (+11% YoY).
- **Adjusted EBITDA: \$461 million**, up from \$388 million in Q3 2023.
- **Adjusted EPS: \$2.65** (above guidance of \$2.45).
- **Cash Flow:** Operating cash flow was **\$327 million**, with free cash flow of **\$180 million**.
- **Liquidity:** PCA ended the quarter with **\$841 million** in cash and total liquidity of **\$1.2 billion**.

Segment Performance and Outlook

1. **Packaging:**
 - **Performance:** Record box shipments and higher containerboard export prices drove a strong performance.
 - **Outlook:** Continued demand strength expected in Q4, though two fewer shipping days may slightly impact volumes.
2. **Paper:**
 - **Performance:** Improved margins and volume gains supported by seasonal back-to-school demand.
 - **Outlook:** Shipments will decline seasonally in Q4, while pricing and mix remain stable.
3. **Operational Investments:**
 - New plants and capital projects will improve productivity and ensure PCA remains well-positioned to meet future demand.

PPG Industries, Inc. (NYSE:PPG)

Outlook: Neutral

AL Outlook: Positive

Recommended Action: N/A

Alabama Location(s): Huntsville: Aerospace manufacturing facility

Key Takeaways

- Record Aerospace Coatings and Performance Coatings Strength:**
 - Aerospace Coatings achieved record quarterly sales with **double-digit percentage organic growth**, driven by strong demand for both OEM and aftermarket coatings.
 - Performance Coatings** delivered **2% organic growth**, led by robust performance in **Automotive Refinish** and **Protective & Marine Coatings** segments.
 - Aerospace backlog grew to **\$290 million**, highlighting sustained demand and capacity constraints, despite production improvements.
- Portfolio Optimization and Cost Reduction Initiatives:**
 - Announced the divestiture of **Silicas Products** (€310 million) and **Architectural Coatings U.S. and Canada** (€550 million), optimizing portfolio focus on higher-margin businesses.
 - Restructuring program targets **\$175 million** in cost savings, with **\$60 million** expected in 2025, achieved through European footprint rationalization and stranded cost elimination.
- Financial Stability and Strong Shareholder Returns:**
 - Cash flow generation remained robust, with **\$200 million** in share repurchases and **\$160 million** in dividends paid during Q3.
 - Year-to-date shareholder returns totaled **\$1 billion**, supported by a strong balance sheet and cash reserves of **\$1.3 billion**.

Alabama Operations

- The **Huntsville aerospace coatings facility** benefited from record sales in the aerospace segment, driven by increasing OEM production rates and robust aftermarket demand.
- The facility is positioned to support ongoing backlog reduction as production capacity expands.

Business Expansions & Capital Expenditure Plans

- CapEx Outlook:** Spending remains on track at **\$450-\$475 million** for 2024, prioritizing aerospace coatings capacity and efficiency improvements.
- Portfolio Divestments:** Proceeds from the silicas and architectural coatings sales will be reinvested into core growth areas, including aerospace and automotive coatings.
- Product Innovation:** Continued investment in **sustainability-focused solutions**, such as fuel-efficient marine coatings (Sigmaglide) and low-emission industrial coatings.

Operational Highlights

- Aerospace Coatings:**

- Delivered record organic growth with **high single-digit growth** projected into Q4 and beyond.
- Backlog reached **\$290 million**, signaling continued strong demand despite production debottlenecking efforts.
- **Automotive Refinish:**
 - High single-digit growth in the U.S. collision sector, outperforming market trends despite lower industry-wide claims.
- **Protective & Marine Coatings:**
 - Achieved sixth consecutive quarter of volume growth, driven by **infrastructure spending** and marine aftermarket demand.

Financial Highlights

- **Revenue: \$4.58 billion** (-1.8% YoY), reflecting industrial production challenges.
- **Adjusted EPS: \$2.13** (-0.9% YoY), slightly below guidance due to weaker auto OEM demand late in the quarter.
- **Segment Margins:** Achieved eighth consecutive quarter of margin improvement across **Performance Coatings** and **Industrial Coatings**.
- **Cash Flow:** Strong generation with **\$1.3 billion** in cash reserves and continued financial flexibility.

Segment Performance and Outlook

1. **Performance Coatings:**
 - **Performance:** 2% organic growth; Aerospace Coatings led with record sales and Automotive Refinish delivered high single-digit growth.
 - **Outlook:** Positive momentum with backlog execution and continued share gains in aerospace and collision markets.
2. **Industrial Coatings:**
 - **Performance:** Mid-single-digit sales decline driven by weaker global automotive OEM production and soft industrial demand.
 - **Outlook:** Gradual recovery expected in 2025 with modest volume growth projected in **China** and **Europe**.
3. **Packaging Coatings:**
 - **Performance:** Achieved third consecutive quarter of volume growth with continued market share gains.
 - **Outlook:** Stable demand expected, supported by strong customer relationships and innovative packaging solutions.

Smurfit WestRock PLC (NYSE:SW)

Outlook: Neutral

AL Outlook: Neutral

Recommended Action: Monitor converting operations across Smurfit's corrugated containers footprint in AL

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

- **Strong Performance from Initial Integration:**
 - Q3 marks the **first reporting period** as a combined company, with adjusted EBITDA of **\$1.265 billion** and a margin of **16.5%**.
 - Operational synergies are being realized faster than expected, with \$400 million in hard cost savings anticipated by the end of **2025**. Additional opportunities could **double this figure** through operational and commercial improvements.
 - A sharper commercial focus on **value over volume** has already improved profitability, with legacy WestRock operations aligning to Smurfit Kappa's efficiency standards.
- **Capital Allocation and Footprint Optimization:**
 - Capital expenditures for FY 2025 are projected at **\$2.2-\$2.4 billion**, prioritizing upgrades in **converting operations**, corrugated mills, and customer-focused innovations.
 - Significant **footprint optimization** has occurred, with over **30 facilities** closed or divested over the past 22 months, improving efficiency and returns.
 - Leadership emphasized disciplined capital allocation with a focus on operational excellence, integration, and delivering **higher returns** for shareholders.
- **Resilient Performance Across Core Segments:**
 - **North America:** Strong performance in corrugated packaging, with revenue of **\$4.6 billion** and EBITDA of **\$780 million** at a margin of **16.8%**. Cost reductions and price improvements offset volume declines.
 - **Europe and EMEA:** Delivered **\$2.7 billion** in sales with stable demand and modest volume growth of **0.7% YoY** on a same-day basis. Box pricing showed sequential recovery.
 - **Latin America:** EBITDA margins reached **23%**, supported by lower costs and strong operational discipline, despite volume pressures in Argentina.

Alabama Operations

- Smurfit Westrock's facilities in **Cullman, Montgomery, Eutaw, Lanett, Huntsville, Stevenson,** and **Demopolis** remain key contributors to the company's corrugated container, folding carton, and recycling operations.
- Alabama plants are expected to benefit from integration efforts, capital upgrades, and Smurfit Westrock's focus on enhancing operational efficiency and sustainability.

Business Expansions & Capital Expenditure Plans

- **CapEx Outlook:** FY 2025 investment guidance of **\$2.2-\$2.4 billion**, prioritizing mill improvements, box plant upgrades, and converting equipment modernization.
- **Quick-Win Projects:** Authorized **\$150 million** for projects with paybacks under 2 years, driving immediate cost savings.
- **Innovation Focus:** Plans to bring **European innovation and sustainability practices** to North America, delivering value-added packaging solutions.

Operational Highlights

- **North America:**
 - EBITDA margin improved to **16.8%** due to higher pricing, cost efficiencies, and reduced economic downtime.
 - Corrugated demand was **mixed**, with weakness in the South and Midwest regions but growth in Western states.
- **Europe and EMEA:**
 - Box pricing remains down YoY but showed sequential improvement as markets stabilize.
 - Operational improvements offset rising recovered fiber costs.
- **Latin America:**
 - Margin leadership in the region (23%), driven by operational efficiency and cost control.

Financial Highlights

1. **Revenue: \$7.1 billion** (-5.6% YoY), reflecting lower volumes in some markets.
2. **Adjusted EBITDA: \$1.265 billion** (16.5% margin).
3. **Adjusted Free Cash Flow: \$120 million** for Q3, with full-year expectations improving.
4. **Net Debt: 2.8x EBITDA;** balance sheet flexibility to fund growth and synergies.

Segment Performance and Outlook

4. **North America:**
 - **Performance:** Revenue of **\$4.6 billion**; EBITDA margin of **16.8%**.
 - **Outlook:** Continued integration of legacy WestRock assets with Smurfit Kappa's commercial and operational practices will drive higher returns.
5. **Europe and EMEA:**
 - **Performance:** Volume growth of **0.7%** YoY on a same-day basis; pricing stabilized sequentially.
 - **Outlook:** Price recovery and demand stabilization expected to support results.
6. **Latin America:**
 - **Performance:** Delivered strong margins at **23%**, with cost discipline offsetting volume headwinds.
 - **Outlook:** Resilience expected despite macroeconomic challenges in specific markets.

Sonoco Products Company (NYSE:SON)

Outlook: Neutral

AL Outlook: Neutral

Recommended Action: N/A

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

Key Takeaways

- 1. Strong Productivity and Margin Expansion:**
 - Adjusted EBITDA improved to **\$281 million** (+6% YoY), with EBITDA margins reaching **16.8%**, the highest since Q1 2022.
 - Productivity gains totaled **\$39 million**, marking the **seventh consecutive quarter** of year-over-year improvements.
 - Cost optimization initiatives, including footprint consolidations, continue to drive efficiency, particularly in **Industrial** and **Consumer Packaging** segments.
- 2. Portfolio Simplification and Strategic M&A:**
 - Announced acquisition of **Eviosys**, a leading metal packaging manufacturer, expected to close in Q4 2024, positioning Sonoco as a global leader in **metal food and aerosol packaging**.
 - Strategic review of **Thermoformed and Flexible Packaging (TFP)** business is ongoing, with proceeds planned to repay acquisition-related debt.
 - Divestitures of non-core assets and underperforming facilities, including closures in **China** and other industrial markets, are streamlining operations.
- 3. Mixed Volume Trends Across Key Segments:**
 - Consumer Packaging volumes increased **low single digits**, led by strength in **Metal Packaging** and improving demand for **Rigid Paper Containers**.
 - Industrial volumes were **flat sequentially** but up year-over-year in **North America** and **Europe**, with pricing improvements expected in Q4.
 - The company continues to face challenges in **thermoforming** markets, with hurricane disruptions temporarily impacting production in **Florida**.

Alabama Operations

- Sonoco's Alabama facilities in **Florence, Opp, and Hartselle** contribute to the **Industrial Packaging** segment, manufacturing tubes, cores, and reels.
- No direct updates were provided for Alabama operations, though performance aligns with Sonoco's focus on productivity and regional footprint optimization.

Business Expansions & Capital Expenditure Plans

- CapEx:** Projected at **\$350-\$375 million** for FY 2024, with investments targeting capacity expansion and operational efficiencies in core businesses.
- Eviosys Integration:** Expected to enhance Sonoco's global market share and deliver immediate earnings and cash flow accretion post-closing.
- Strategic Simplification:** Divesting non-core ThermoSafe and TFP businesses to focus capital on higher-return growth opportunities.

Operational Highlights

- **Consumer Packaging:**
 - Strong **Metal Packaging** performance, with high single-digit volume growth offsetting weakness in thermoforming.
 - Demand for **Rigid Paper Containers** improving, supported by new business wins and sustainable product offerings.
- **Industrial Packaging:**
 - North American and European volumes remained stable, though Asia continues to face headwinds.
 - Productivity initiatives, including facility closures and automation, helped maintain margins despite cost pressures.
- **Sustainability and Innovation:**
 - Awarded the **Sustainable Innovations Award** for recyclable **Pringles mono-material cans**, highlighting Sonoco's leadership in sustainable packaging.

Financial Highlights

- **Revenue: \$1.68 billion** (-2% YoY), reflecting divestitures and lower pricing in certain markets.
- **Adjusted EBITDA: \$281 million** (+6% YoY), driven by productivity and cost optimization.
- **Adjusted EPS: \$1.49**, exceeding consensus estimates.
- **Cash Flow:** Operating cash flow of **\$162 million**; capital expenditures of **\$92 million** for the quarter.

Segment Performance and Outlook

1. **Consumer Packaging:**
 - **Performance:** Sales remained flat at **\$984 million**, with volume gains in Metal Packaging and Rigid Paper Containers.
 - **Outlook:** Continued growth expected in Q4, supported by **price stabilization** and demand recovery.
2. **Industrial Packaging:**
 - **Performance:** Sales increased **1% YoY** to **\$585 million**, driven by North America and Europe.
 - **Outlook:** Volumes expected to remain stable, with positive price trends and productivity gains improving margins.
3. **All Other Businesses:**
 - **Performance:** Sales totaled **\$107 million**, reflecting divestitures in Protective Solutions.
 - **Outlook:** Lower sales expected in Q4 due to seasonality and portfolio adjustments.

Sumco Corporation (TSE:3436)

Outlook: Neutral

AL Outlook: Neutral

Recommended Action: Monitor fluctuations in the Japanese yen (JPY) and their impact on operating profit to assess the financial stability of Sumco's operations, including the Theodore facility

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

Key Takeaways

- 1. Soft Demand in Legacy Applications, Leading Edge Remains Strong:**
 - Demand for **300-millimeter wafers** continues to recover, particularly for **leading-edge logic** and **HBM (high-bandwidth memory)** wafers, driven by AI and data center markets.
 - **200-millimeter wafer** demand remains weak, particularly in **automotive and consumer electronics**, where inventory remains elevated.
 - Sales fell **3.6% YoY** to **JPY 98.4 billion**, impacted by inventory adjustments and delayed shipments in legacy applications.
- 2. Cost Pressures and Depreciation Impact Margins:**
 - Q3 operating profit dropped to **JPY 9.1 billion**, reflecting higher **depreciation costs** (+JPY 2.2 billion QoQ) and foreign exchange losses of **JPY 1.2 billion**.
 - Sumco has adopted cost-control measures and capacity optimization initiatives, including postponing non-critical capital investments to balance cash flow.
 - Despite challenges, leading-edge wafer pricing under **long-term agreements (LTAs)** remains stable, mitigating margin pressures.
- 3. Mixed Market Outlook into 2025:**
 - Recovery in **leading-edge wafer** demand (5nm and 3nm) is expected to accelerate in 2025 as **AI and advanced logic markets** grow.
 - **Automotive and consumer** applications are expected to remain soft, delaying a broader recovery in **200-millimeter wafers**.
 - CapEx for FY2024 has been maintained at **JPY 210 billion**, with investments focused on **modernizing production for leading-edge nodes** to secure long-term growth.

Alabama Operations

- The **Theodore facility** supports Sumco's production of high-purity silicon wafers used in advanced semiconductor manufacturing.
- While operations in Theodore were not directly addressed, demand trends for leading-edge wafers align with production priorities at this site.

Business Expansions & Capital Expenditure Plans

- **CapEx:** Full-year CapEx is set at **JPY 210 billion** for FY2024, prioritizing facility modernization and process improvements for advanced nodes.
- **Capacity Focus:** Investments to scale **300-millimeter leading-edge production**, particularly for 3nm and 5nm nodes, while delaying non-critical projects.
- **Legacy Modernization:** Plans to gradually modernize older facilities to accommodate increased demand for **7nm and 5nm applications**.

Operational Highlights

- **300-Millimeter Wafer Trends:**
 - Strong demand for leading-edge wafers (3nm and finer), driven by AI servers and advanced logic applications.
 - Customers are increasing production capacity, supporting future wafer shipment growth.
- **200-Millimeter Wafer Weakness:**
 - Continued softness in automotive and consumer markets due to high customer inventories and weak utilization rates.
- **Cost Management:**
 - Focus on reducing operational costs and optimizing capacity utilization to address ongoing margin pressures.

Financial Highlights

- **Revenue:** **JPY 98.4 billion** (-3.6% YoY).
- **Operating Profit:** **JPY 9.1 billion** (-4.2% QoQ), impacted by depreciation and Forex losses.
- **Net Profit:** **JPY 3.6 billion** (-36% YoY).
- **CapEx:** Maintained at **JPY 210 billion** for FY2024.
- **Free Cash Flow:** Negative **JPY 147.6 billion** due to capital investments and working capital buildup.

Segment Performance and Outlook

1. **300-Millimeter Wafers:**
 - **Performance:** Leading-edge demand (5nm and 3nm) remains strong, driven by AI, HBM, and data center markets.
 - **Outlook:** Shipment volumes expected to gradually improve as customer production capacity increases into 2025.
2. **200-Millimeter Wafers:**
 - **Performance:** Demand remains weak in **automotive and consumer applications** due to high customer inventories.
 - **Outlook:** Recovery expected to be slow, with potential stabilization in late 2025.
3. **Cost Optimization:**
 - Continued focus on cost reduction, capacity balancing, and delaying non-essential CapEx to protect profitability in the near term.

Tyson Foods Inc. (NYSE:TSN)

Outlook: Neutral

AL Outlook: Positive

Recommended Action: Monitor opportunities in value-added chicken production.

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

Key Takeaways

- 1. Strong Recovery in Chicken and Prepared Foods:**
 - **Chicken** AOI (Adjusted Operating Income) reached **\$356 million**, improving by **\$281 million YoY**, marking the **best full-year performance since 2017**. Operational efficiency and lower grain costs contributed to the strong turnaround.
 - **Prepared Foods** delivered **double-digit profitability growth**, with AOI increasing to its highest levels since 2018. Volume growth, operational efficiencies, and innovation pipelines, such as **Jimmy Dean Griddle Cakes**, were key drivers.
 - Both segments accounted for approximately **50% of total AOI**, underscoring a shift towards **value-added products**.
- 2. Mixed Performance in Beef and Pork:**
 - **Beef** revenue grew **4.6% YoY** due to higher throughput and carcass weights, though margins remained compressed due to cattle supply constraints.
 - **Pork** achieved a **\$270 million AOI improvement YoY**, driven by improved spreads and operational efficiency despite lower drop credit pricing.
- 3. Operational Excellence and Cash Flow Strength:**
 - Free cash flow more than **doubled YoY to \$1.5 billion**, driven by improved working capital and disciplined **CapEx of \$1.1 billion**.
 - Net leverage declined to **2.6x**, achieving a 1.5-turn improvement compared to FY 2023. Tyson raised its dividend for the **13th consecutive year**, reflecting confidence in ongoing cash generation.

Alabama Operations

- Tyson's poultry facilities in **Albertville** and **Blountsville** contributed to the significant recovery in the **Chicken segment**, where operational improvements and increased efficiency were critical to performance.
- Continued focus on **value-added poultry production** aligns with Tyson's strategy to enhance margins and reduce commodity exposure.

Business Expansions & Capital Expenditure Plans

- **CapEx Outlook:** FY 2025 CapEx guidance is **\$1.0-\$1.2 billion**, maintaining investments in value-added chicken production and plant optimization.
- **Danville Facility Ramp-Up:** Tyson successfully scaled its new fully cooked poultry plant, which is now **sold out**. Plans for additional lines to support further capacity growth are underway.
- **Portfolio Focus:** Tyson continues to reduce underperforming operations, streamline production, and modernize infrastructure to achieve operational excellence.

Operational Highlights

- **Chicken Segment:**
 - Achieved **\$1.1 billion AOI** for FY 2024, reflecting a \$500-\$700 million structural improvement in efficiency and cost control.
 - Mix improvements emphasized **fully cooked and value-added products**, with innovation in packaging and advertising strengthening consumer demand.
- **Prepared Foods:**
 - Volume growth of nearly **1%**, supported by expansion in foodservice and new product launches, such as **spicy Chicken Honey Biscuit** and Jimmy Dean innovations.
 - Operational efficiency gains reduced waste and improved throughput, driving margin expansion.
- **Beef and Pork:**
 - Beef margins remain under pressure due to cattle cycle challenges, though operational cost improvements mitigated some headwinds.
 - Pork benefited from network optimization and stronger herd health, though tighter spreads are expected in 2025.

Financial Highlights

- **Revenue: \$13.6 billion** (+1.6% YoY), driven by growth in Chicken and Beef segments.
- **Adjusted Operating Income (AOI): \$512 million**, with strong contributions from Chicken and Prepared Foods.
- **Adjusted EPS: \$0.92** (+33% YoY), exceeding expectations.
- **Free Cash Flow: \$1.5 billion**, more than doubling YoY.
- **CapEx: \$1.1 billion** for FY 2024; FY 2025 projected at **\$1.0-\$1.2 billion**.

Segment Performance and Outlook

1. **Chicken:**
 - **Performance:** Strong AOI of **\$356 million**, driven by lower grain costs, improved live operations, and increased value-added mix.
 - **Outlook:** High single-digit AOI growth expected in FY 2025, supported by continued operational improvements and fully cooked product expansion.
2. **Prepared Foods:**
 - **Performance:** Delivered record margins and volume growth, benefiting from innovation and operational efficiency.
 - **Outlook:** Double-digit profitability growth expected in FY 2025, driven by throughput gains, innovation, and consumer demand.
3. **Beef:**
 - **Performance:** Higher volumes offset by margin compression due to tight cattle supply.
 - **Outlook:** Profitability to remain flat in FY 2025 as supply constraints persist.
4. **Pork:**
 - **Performance:** Improved spreads and operational efficiency contributed to AOI growth.
 - **Outlook:** Stability expected in FY 2025, with incremental improvements in operational performance.

United States Steel Corp. (NYSE:X)

Outlook: N/A

AL Outlook: N/A

Recommended Action: N/A

Notes: No call this quarter due to ongoing acquisition talks.

U.S. Steel is currently navigating significant challenges involving a blocked acquisition and activist investor pressure:

- **Blocked Acquisition:** The Biden administration blocked U.S. Steel's \$14.1B sale to **Nippon Steel** on national security grounds; the companies are contesting the decision in court.
- **Activist Investor Pressure:** Ancora Holdings opposes the merger, nominating nine board candidates and pushing to replace CEO David Burritt with Alan Kestenbaum.
- **Strategic Dispute:** Ancora advocates for internal restructuring and a public market turnaround instead of a foreign acquisition.
- **Cleveland-Cliffs and Nucor's Potential Bid:** Cleveland-Cliffs is partnering with Nucor to prepare an all-cash bid for U.S. Steel, offering in the high \$30s per share. If successful, Cliffs plans to sell U.S. Steel's Big River Steel mill to Nucor.

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

Outlook: Neutral

AL Outlook: Neutral

Recommended Action: Monitor Southern Yellow Pine (SYP) demand trends and operational adjustments at Alabama sawmills to anticipate potential economic impacts

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

Key Takeaways

1. **Operational Challenges and Cost Optimization:**
 - Q3 Adjusted EBITDA was **\$62 million**, representing a **4% margin**, impacted by a **\$32 million lumber export duty** adjustment related to 2022.
 - Lumber demand remains weak, particularly in **Southern Yellow Pine (SYP)** markets, but productivity improvements and cost management initiatives have helped stabilize operations.
 - SPF (Spruce-Pine-Fir) shipments exceeded expectations due to resilient U.S. housing demand, offsetting softness in the repair and remodel (R&R) segment.
2. **Capacity Adjustments to Balance Supply and Demand:**

- Over **800 million board feet** of capacity has been reduced since 2022, including **Lake Butler** curtailments, to align production with current demand trends.
 - Mill closures, shift reductions, and operational adjustments continue to improve cost structures and margin potential across the U.S. South.
 - OSB (Oriented Strand Board) production at the Allendale mill is ramping up steadily, with expectations that it will become one of West Fraser's **lowest-cost facilities** once fully operational.
3. **Market Outlook and Liquidity Strength:**
- Resilient U.S. housing starts (~1.4 million annually) are supporting **SPF lumber** demand, while SYP recovery is tied to improving R&R activity and interest rate declines.
 - West Fraser maintains over **\$2 billion in liquidity**, enabling flexibility to manage through the cyclical downturn and invest in modernization projects.

Alabama Operations

- West Fraser's Alabama sawmills in **Maplesville, Opelika, and Lanett** contribute to the company's Southern Yellow Pine production platform.
- Ongoing capacity optimizations across the U.S. South, including mill curtailments and shift reductions, aim to reduce costs and balance supply with demand.

Business Expansions & Capital Expenditure Plans

- **CapEx Guidance:** Revised to **\$475-\$525 million** for 2024, with investments focused on mill modernizations and cost optimization projects.
- **OSB Ramp-Up:** Continued progress at the Allendale mill to achieve full production capacity by mid-2025, positioning it as a **low-cost OSB facility**.
- **Future Cost Reductions:** Emphasis on productivity gains, grade recovery, and strategic mill upgrades across the U.S. South.

Operational Highlights

- **Southern Yellow Pine (SYP):**
 - SYP lumber demand remains weak due to elevated mortgage rates, slowing R&R activity, and price softness.
 - Recent price improvements were largely driven by supply-side curtailments.
- **Spruce-Pine-Fir (SPF):**
 - Better-than-expected demand from the U.S. housing market drove strong shipments.
 - SPF price spreads remain favorable compared to SYP, particularly in wider-width lumber products.
- **Oriented Strand Board (OSB):**
 - North American OSB shipments are expected to hit the upper end of the **6.3-6.6 billion square feet** guidance range for 2024.

Financial Highlights

- **Revenue:** **\$1.99 billion** (+3.3% above consensus), driven by SPF strength and OSB volume growth.
- **Adjusted EBITDA:** **\$62 million**, impacted by lumber export duties and weak SYP demand.
- **CapEx:** Narrowed to **\$475-\$525 million** for FY 2024.
- **Liquidity:** **\$2 billion** in total liquidity supports operational flexibility and shareholder returns.

Segment Performance and Outlook

1. Lumber:

- **Performance:** Adjusted EBITDA loss of **\$62 million**, including a \$32 million export duty expense.
- **Outlook:** Market stabilization expected as curtailments reduce oversupply; SPF continues to benefit from U.S. housing demand.

2. North America Engineered Wood Products (EWP):

- **Performance:** Adjusted EBITDA of **\$121 million**, with strong OSB shipments partially offset by lower pricing.
- **Outlook:** Higher OSB production and ramp-up at Allendale mill to support performance in 2025.

3. Pulp & Paper:

- **Performance:** Adjusted EBITDA of **\$2 million**, impacted by higher costs and maintenance downtime.
- **Outlook:** Margins expected to remain tight due to regional fiber supply constraints.

Westwater Resources Inc. (NYSE:WWR)

Outlook: **Positive**

Alabama Outlook: **Positive**

Recommended Action: Monitor the final phases of securing debt financing and ensure operational readiness.

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

Financial Highlights

- **Cost Reduction:** Revised estimated construction costs for Phase I of the Kellyton Graphite Plant down to \$245 million, a 9.6% reduction (\$26 million) from the prior estimate of \$271 million. The savings stem from design optimization and cost reductions in materials and installation.
- **Debt Financing Progress:** The company is in the due diligence stage of securing debt financing for the remaining \$124 million needed to complete Phase I. Closure of this financing is targeted for Q4 2024.
- **Liquidity Position:** As of September 30, 2024, Westwater had \$4.5 million in cash. It maintains an ATM facility and an Equity Line of Credit to ensure sufficient liquidity.
- **Projected Contingencies:** An 11% contingency and a 2% escalation factor are built into the remaining uncommitted spend.

Operational Highlights

- **Qualification Line Progress:** Equipment installation is ongoing, with operational readiness expected in Q4 2024. The line will:
 - Produce ~1 metric ton (mt) of CSPG (coated spherical purified graphite) per day.
 - Supply customers with 1-10 mt bulk samples for qualification.
 - Train operational staff, expediting the startup of the Kellyton plant.

Business Expansions & Capital Expenditure Plans

- **Graphite Fines Offtake Agreement:**
 - Secured a deal with Hiller Carbon, LLC, a supplier to steel and foundry industries.
 - Westwater will supply ~14,000 mt/year of graphite fines, a byproduct from its CSPG production process.
 - Deliveries will begin when the Kellyton plant commences production, anticipated after Phase I completion.

Segment Performance and Outlook

- **Kellyton Graphite Plant:**
 - Construction on Phase I is progressing with lower cost estimates.
 - The qualification line will serve as a critical step for customer validation before mass production begins.
- **Graphite Fines and Battery-Grade Graphite:**
 - Graphite fines are expected to generate revenue as a byproduct, ensuring better cost-efficiency.
 - Battery anode-grade CSPG remains the primary production focus.
- **Debt Financing and Future Milestones:**
 - Westwater is targeting Q4 2024 for debt financing closure, contingent on final terms and conditions.

Additional Notes:

Austal Limited (ASX:ASB)

- December 5, 2024 - US Navy exercises US\$48M in options to maintain LCS

BAE Systems plc (LSE:BA.)

- December 17, 2024 - Italian Parliament Approves \$7.9 Billion Purchase of 24 Eurofighters

BioCryst Pharmaceuticals, Inc. (NASDAQGS:BCRX)

- January 10, 2025 - BioCryst Pharmaceuticals Sees FY25 Rev \$540M-\$560M >BCRX

General Electric Company (NYSE:GE)

- January 8, 2025 - GE Aerospace Receives T700 Engine Order for Poland's Apache Guardian Helicopters

IN8Bio, Inc. (NASDAQGM:INAB)

- November 25, 2024 - IN8bio Reports Continued Durable Remissions in Phase 1 Trial of INB-200

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

- January 6, 2025 - Kratos Receives \$1.45B MACH-TB 2.0 Contract Award

L3Harris Technologies, Inc. (NYSE:LHX)

- January 21, 2025 - L3Harris Technologies Gets \$263M U.S. Army Order for Night Vision Goggles

Lockheed Martin Corporation (NYSE:LMT)

- January 22, 2025 - Lockheed Martin Received \$270 M Contract From U.S. Air Force >LMT

Quest Diagnostics Incorporated (NYSE:DGX)

- December 19, 2024 - Mainz Biomed Forms Agreement With Quest Diagnostics to Provide Clinical Trials Laboratory Services for Colorectal Cancer Screening Test

Vulcan Materials Company (NYSE:VMC)

- December 11, 2024 - Vulcan Materials To Acquire Superior Ready Mix Concrete >VMC