

# Quarterly Earnings Call Notes – Q4 2025

## 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 2025 (July to September 2025). These calls were recorded during Q4 2025 (October to December 2025). Additional Notes encompasses news alerts for additional companies monitored.

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## **Additional Companies Monitored:**

Adient (NYSE:ADNT)	BioCryst (NASDAQGS:BCRX)
ADTRAN Holdings, Inc. (NasdaqGS:ADTN)	Carpenter Technology Corp. (NYSE:CRS)
Aerojet Rocketdyne Holdings, Inc. (NYSE:AJRD)	Computer Programs and Systems, Inc. (NasdaqGS:CPSI)
Austral Limited (ASX:ASB)	Daikin Industries (TSE:6367)
BAE Systems (LSE:BA)	Encompass Health Corporation (NYSE:EHC)
Benchmark Electronics Inc. (NYSE:BHE)	

Fidelity National Information Services, Inc. (NYSE:  
FIS)

General Electric Company (NYSE:GE)

Hibbett, Inc. (NasdaqGS:HIBB)

Honda (TSE:7267)

Hyundai Motor Company (KOSE:A005380)

IN8bio Inc. (NASD:INAB)

KATEK SE (DB: KTEK)

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

L3Harris Technologies, Inc. (NYSE:LHX)

Lakeland Industries, Inc. (NasdaqGM:LAKE)

Lockheed Martin Corporation (NYSE:LMT)

Mazda (TSE:7261)

Mercedes-Benz (XTRA:MBG)

Polaris Industries (NYSE:PII)

Sanmina-SCI Corp. (NASDAQGS:SANM)

Steelcase Inc. (NYSE:SCS)

Steris Corp. (NYSE:STE)

Surgalign Holdings, Inc. (NasdaqGS:SRGA)

The Scotts Miracle-Gro Company (NYSE:SMG)

Toyota (TSE:7203)

Vulcan Materials Company (NYSE:VMC)

Warrior Met Coal, Inc. (NYSE:HCC)

## Advanced Manufacturing Industry

### Positive Indicators:

Advanced manufacturing strength was evident across companies such as **3M**, **Evonik Industries**, **Westwater Resources**, and **SUMCO**, all of which emphasized long-term positioning in advanced materials, batteries, and specialty manufacturing. 3M highlighted margin expansion and productivity gains driven by its operating model and new product introductions, while Evonik pointed to specialty-focused portfolio optimization and cost reductions supporting resilience. Westwater Resources underscored strategic progress at its Kellyton, Alabama graphite processing facility, aligning with domestic battery material supply chain initiatives. SUMCO continued investing through the cycle to support future semiconductor demand tied to AI and advanced logic. Collectively, these companies demonstrated sustained commitment to automation, process efficiency, and domestic manufacturing as long-term competitive advantages.

### Challenges:

At the same time, advanced manufacturing companies acknowledged meaningful near-term pressures. SUMCO reported ongoing operating losses driven by underutilization and elevated depreciation following prior expansion investments. Westwater Resources remains pre-revenue and dependent on external financing and government support to complete construction and achieve commercial production. Evonik cited weak macro conditions across several industrial end markets, requiring continued restructuring and cost discipline. 3M, while outperforming peers, still faces uneven demand across electronics and consumer-linked segments. These dynamics highlight that advanced manufacturing remains structurally attractive but operationally challenged in the near term.

## Paper and Packaging Industry

### Positive Indicators:

The paper and packaging industry showed improving fundamentals led by **International Paper**, **Packaging Corporation of America**, **Smurfit Westrock**, and **Sonoco Products Company**. International Paper reported strong sequential EBITDA improvement driven by pricing realization, cost reductions, and its Lighthouse operating model. Packaging Corporation of America delivered record operating cash flow and strong margins supported by disciplined pricing and early benefits from the Greif acquisition. Smurfit Westrock emphasized synergy realization and value-over-volume discipline following its merger, while Sonoco posted record EBITDA driven by acquisitions, pricing, and productivity gains. These results collectively indicate a structurally healthier industry focused on profitability rather than volume growth.

### Challenges:

Despite these positives, companies across the sector cited ongoing headwinds. International Paper and Smurfit Westrock both acknowledged continued customer destocking and cautious ordering patterns, particularly in discretionary and export-oriented markets. European operations remain challenged by weak industrial demand and excess capacity, as highlighted by Smurfit Westrock and Sonoco. Aging mill infrastructure and maintenance outages continue to require elevated capital spending, pressuring free cash flow. While pricing discipline has held, volume

recovery remains uneven, suggesting that sustained improvement depends on broader industrial and consumer demand normalization.

### Agribusiness Industry

#### **Positive Indicators:**

Strong performance in agribusiness was driven primarily by **Tyson Foods** and **Pilgrim's Pride**, both of which benefited from favorable protein demand dynamics. Tyson reported robust chicken and prepared foods results, with Alabama facilities in Albertville and Blountsville supporting value-added production. Pilgrim's Pride delivered strong EBITDA margins driven by diversification into prepared foods, case-ready products, and branded offerings such as Just BARE. Both companies highlighted operational improvements, higher utilization, and improved efficiency as key contributors to profitability. These results underscore the resilience of poultry and prepared foods amid consumer price sensitivity.

#### **Challenges:**

However, agribusiness companies continue to face structural challenges. Tyson's beef segment remained under pressure due to historically low cattle supplies, limiting throughput and profitability. Both Tyson and Pilgrim's Pride cited ongoing cost pressures related to labor, feed, transportation, and packaging. Biosecurity risks, including avian influenza, remain a constant operational threat. Additionally, while demand remains strong, pricing power is increasingly constrained by consumer affordability concerns. These factors introduce earnings volatility despite strong segment-level performance.

### Wood Products Industry

#### **Positive Indicators:**

The wood products industry showed signs of resilience through disciplined balance sheet management and operational flexibility, as demonstrated by **West Fraser Timber**, **Canfor**, **Interfor**, and **Louisiana-Pacific**. West Fraser and Canfor emphasized liquidity preservation and capacity rationalization, while Interfor highlighted the relative strength of its U.S. South operations, including its Alabama sawmill. Louisiana-Pacific continued to benefit from its Siding segment, with strong margins and market share gains offsetting OSB weakness. Southern U.S. assets, particularly in Alabama, consistently outperformed higher-cost regions due to favorable fiber access and operating flexibility.

#### **Challenges:**

Nonetheless, the sector remains constrained by weak housing starts, elevated interest rates, and depressed lumber and OSB pricing. Interfor and Canfor reported negative EBITDA as Southern Yellow Pine prices hovered near cash-cost levels. Louisiana-Pacific cited OSB prices near variable cost, resulting in segment losses despite strong operational execution. Capital spending has been curtailed across the sector, limiting near-term growth investments. Until housing affordability improves and demand rebounds, earnings pressure is expected to persist.

### Chemicals Industry

**Positive Indicators:**

Chemical industry performance reflected stabilization supported by cost discipline and specialty focus, led by **Evonik Industries, Olin Corporation, Chemtrade, and PPG Industries**. Evonik highlighted progress in restructuring, energy efficiency, and specialty additives, while Chemtrade delivered record EBITDA driven by strong water chemicals demand, including at its Decatur, Alabama facility. Olin benefited from stable chlor-alkali fundamentals and clean hydrogen tax credits tied to its Gulf Coast operations. PPG delivered record EPS driven by aerospace coatings growth and share gains across multiple coatings segments. Together, these companies demonstrated resilience through portfolio optimization and exposure to defensible end markets.

**Challenges:**

At the same time, chemical producers cited persistent macro headwinds. Evonik and Olin both referenced weak demand in construction- and epoxy-related end markets. PPG noted ongoing softness in automotive refinish due to destocking and lower collision activity. Global overcapacity and import pressure continue to weigh on pricing in more commoditized segments. Regulatory compliance and energy cost volatility, particularly in Europe, further complicate recovery. These challenges suggest a gradual and uneven earnings recovery across the chemicals landscape.

### Metals Industry

**Positive Indicators:**

The metals industry benefited from disciplined capital allocation and exposure to higher-value end markets, as reflected in results from **Nucor, Constellium, Outokumpu, and Nippon Steel**. Nucor delivered strong profitability driven by long products, infrastructure demand, and downstream expansion, including Alabama-based operations. Constellium posted resilient EBITDA supported by packaging and aerospace demand, with standout performance at its Muscle Shoals, Alabama facility. Outokumpu highlighted progress in cost reductions and low-carbon stainless steel initiatives, while Nippon Steel emphasized long-term value creation through investment in U.S. Steel assets, including upgrades in Fairfield, Alabama. These results underscore long-term demand tied to infrastructure, aerospace, and sustainability.

**Challenges:**

However, metals producers continue to face pricing volatility and uneven demand. Constellium reported automotive softness, while Outokumpu cited weak European demand and import pressure. Nippon Steel described a challenging global steel environment marked by Chinese exports and tariff uncertainty. High fixed costs and depreciation from prior investments limit flexibility during downturns. Energy and raw material cost volatility further pressure margins. As a result, near-term earnings visibility remains constrained despite strong long-term fundamentals.

### Aerospace Industry

**Positive Indicators:**

The aerospace industry remained a standout performer, supported by results from **Airbus, Boeing, PPG Industries, Constellium, and Nucor**. Airbus continued ramping A320-family

production, benefiting its Mobile, Alabama final assembly line. Boeing highlighted progress in defense and space operations centered in Huntsville, Alabama. PPG delivered strong growth in aerospace coatings, while Constellium benefited from recovering aerospace aluminum demand. Nucor cited data center and defense-related construction as incremental demand drivers. Collectively, these companies reinforced strong backlog visibility and multi-year growth driven by commercial aviation and defense spending.

**Challenges:**

Despite strong demand, aerospace companies continue to face execution risks. Airbus and Boeing both acknowledged supply chain constraints and production ramp complexities. Labor availability and certification timelines remain ongoing challenges. Suppliers face pressure to meet quality and delivery standards while managing inflationary costs. Capital intensity remains high, requiring sustained investment. These factors suggest that while aerospace fundamentals are exceptionally strong, near-term operational risks remain elevated.

## 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

- Delivered a fourth consecutive quarter of positive organic growth, significantly outperforming a muted industrial macro environment
- Execution of the 3M eXcellence operating model continued to drive measurable improvements in growth, margins, and cash flow
- Strong commercial execution and accelerated new product introductions were primary drivers of above-macro performance
- Management raised full-year EPS guidance, reflecting confidence in sustained operational momentum
- Portfolio optimization and capital discipline remain central to long-term margin expansion targets
- Alabama-based advanced materials operations remain strategically aligned with growth in industrial, safety, and electronics markets

### Financial Highlights

- Organic sales growth of **3.2%** in Q3, accelerating meaningfully from 1.5% in the first half of the year
- Adjusted EPS of **\$2.19**, representing approximately **10% year-over-year growth**
- Adjusted operating margin expanded to **24.7%**, an increase of **170 basis points YoY**
- Operating income benefited from volume leverage, productivity gains, and lower restructuring costs
- Free cash flow of **\$1.3 billion** with conversion of **111%**, reflecting disciplined working capital management
- Full-year 2025 EPS guidance raised to **\$7.95–\$8.05**, with free cash flow conversion expected to exceed 100%

### Operational Highlights

- On-time, in-full (OTIF) delivery performance reached **91.6%**, the highest quarterly level in more than two decades
- Cost of quality declined to **5.7%**, down 40 bps sequentially and 150 bps year-over-year
- Launched **70 new products** in Q3 and **196 year-to-date**, representing ~70% growth versus last year

- Sales from products launched within the last five years increased **~30% YoY** in Q3
- Expanded use of operating equipment effectiveness (OEE) metrics across critical manufacturing assets
- Improved asset utilization, reduced downtime, and tighter changeover controls contributed to margin expansion

### **Business Expansions & Capital Expenditure Plans**

- Continued reallocation of R&D toward new product development, with ~35–36% of R&D spend now focused on NPI
- Initiated a multi-year transformation program to redesign manufacturing, distribution, and business process networks
- Portfolio shaping efforts advanced, including the divestiture of the precision grinding and finishing business
- Capital spending prioritized toward productivity, automation, and innovation rather than capacity expansion
- Returned **\$900 million** to shareholders in Q3 and **\$3.9 billion year-to-date** through dividends and buybacks
- Ongoing investments expected to support long-term margin expansion beyond 25% by 2027

### **Segment Performance & Outlook**

- **Safety & Industrial:** Strong growth driven by industrial adhesives, tapes, abrasives, and personal safety products
- **Transportation & Electronics:** Growth supported by aerospace demand, electronics bonding solutions, and new product wins
- **Consumer:** Stable performance supported by Filtrete, Scotch, and Meguiar’s brands despite weak consumer sentiment
- **Alabama Outlook:** Facilities in **Decatur and Guin, Alabama** support advanced materials, adhesives, and safety products aligned with long-term industrial and electronics demand
- Outlook remains favorable as commercial excellence and innovation initiatives continue to scale across segments

## **Airbus SE (ENXTPA:AIR)**

**Outlook: Positive**

**AL Outlook: Positive**

**Recommended Action:** Monitor workforce, supplier readiness, and infrastructure needs at Mobile as narrowbody production rates rise.

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

### **Key Takeaways**

- Delivered solid nine-month performance supported by strong commercial aircraft demand and backlog visibility
- Continued disciplined execution of production ramp-ups amid ongoing supply chain constraints
- Maintained full-year 2025 guidance despite inventory buildup and engine availability challenges
- Narrowbody aircraft programs remain the primary growth engine
- Mobile, Alabama final assembly line remains strategically important within Airbus's global production network

### **Financial Highlights**

- Nine-month revenues of **€47.4 billion**, up **7% year-over-year**
- Adjusted EBIT of **€4.1 billion**, reflecting improved profitability versus €2.8 billion in the prior-year period
- Free cash flow before customer financing of **-€0.9 billion**, driven by planned inventory buildup ahead of Q4 deliveries
- Net cash position of approximately **€7 billion**, with total liquidity of ~€30 billion
- FY 2025 guidance reaffirmed for ~820 commercial aircraft deliveries and ~€7 billion of adjusted EBIT

### **Operational Highlights**

- Delivered **507 commercial aircraft** year-to-date across 79 customers
- Continued progress toward an **A320 family production rate of 75 aircraft per month** by 2027
- Engine supply constraints showing gradual improvement, with glider inventory stabilizing
- Strong order momentum across A320, A330, and A350 platforms
- Backlog expanded to **8,665 aircraft**, providing long-term production visibility

### **Business Expansions & Capital Expenditure Plans**

- Ongoing capital investments to support narrowbody ramp-up and industrial resilience
- Expansion of global final assembly and production capabilities, including U.S. operations
- Planned integration of select Spirit AeroSystems work packages expected to close in Q4 2025
- Capital expenditures increased to support automation, tooling, and supply chain readiness
- Continued investment in defense, space, and helicopter programs to diversify revenue streams

### **Segment Performance & Outlook**

- **Commercial Aircraft:** A320 family remains the dominant growth driver with strong A321 demand

- **Widebody Programs:** A330 and A350 programs remain stable with disciplined production plans
- **Defense & Space:** Improving profitability and restructuring progress support medium-term outlook
- **Alabama Outlook:** The **Mobile, Alabama A320 final assembly line** is expected to benefit from sustained narrowbody demand and long-term production rate increases

Boeing Co. (NYSE:BA)

**Outlook: Neutral**

**AL Outlook: Positive**

**Recommended Action: N/A**

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

#### **Key Takeaways**

- Continued recovery in operational performance, highlighted by positive free cash flow for the first time since 2023
- Commercial airplane production stabilized, with incremental rate increases approved by regulators
- Significant 777X program delay resulted in a large noncash charge and reset of program economics
- Defense and services businesses provided stability amid commercial program challenges
- Alabama operations remain strategically important for defense and space-related activities

#### **Financial Highlights**

- Revenue of **\$23.3 billion**, representing approximately **30% year-over-year growth**
- Core EPS of **\$(7.47)**, primarily reflecting the **\$4.9 billion** 777X program charge
- Free cash flow of **\$238 million**, marking the first positive quarter since Q4 2023
- Improved full-year 2025 free cash flow usage outlook to approximately **\$2.5 billion**
- Cash and marketable securities totaled **\$23 billion**, with access to additional revolving credit

#### **Operational Highlights**

- 737 production stabilized at 38 aircraft per month, with FAA approval to increase to **42 per month**
- 787 program continued progress toward higher production rates and inventory reduction
- Defense, Space & Security segment demonstrated improved execution and margin recovery
- Total backlog exceeded **\$600 billion**, providing long-term revenue visibility

- Global Services segment delivered strong margins and stable aftermarket demand

### **Business Expansions & Capital Expenditure Plans**

- Capital expenditures expected to reach approximately **\$3 billion** in 2025
- Investments focused on commercial production stability, future programs, and defense capabilities
- Long-term production schedule and cost baseline reset for the 777X program
- Continued spending on advanced defense platforms, space systems, and services infrastructure
- CapEx plans prioritize safety, quality, and long-term recovery over near-term growth

### **Segment Performance & Outlook**

- **Commercial Airplanes:** Gradual recovery underway, though certification timelines remain a headwind
- **Defense, Space & Security:** Strong order intake and improved execution support medium-term growth
- **Global Services:** Consistent profitability and aftermarket demand
- **Alabama Outlook: Huntsville, Alabama** operations remain central to missile defense, space systems, and government services programs

## **Canfor Corp. (TSX:CFP)**

**Outlook: Neutral**

**AL Outlook: Positive**

**Recommended Action: N/A**

**Alabama Location(s):**

### **Key Takeaways**

- Lumber and pulp markets remained weak, continuing to pressure earnings and margins
- Management emphasized liquidity, cost control, and asset optimization in response to market conditions
- Southern U.S. operations remain a strategic focus due to cost competitiveness
- Capital discipline prioritized over growth expansion

### **Financial Highlights**

- Revenue of approximately **CAD 1.26 billion**, up ~8% year-over-year
- Adjusted EBITDA losses recorded in both Lumber and Pulp segments
- Liquidity of approximately **CAD 1.2 billion**, providing balance sheet flexibility
- Capital expenditures of approximately **CAD 40 million** in Q3
- Strong liquidity position supports operations through the housing downturn

### **Operational Highlights**

- Permanent closure of higher-cost sawmills in the U.S. South to improve cost structure
- Continued modernization initiatives at remaining sawmills
- Southern Yellow Pine pricing remained weak, impacting near-term profitability
- Focus on operational efficiency and fiber optimization across the portfolio

### **Business Expansions & Capital Expenditure Plans**

- 2025 capital expenditures focused on maintenance and productivity improvements
- Growth-oriented capital projects deferred in light of market conditions
- Capital spending expected to decline in 2026
- Strategic focus on retaining lower-cost, modern sawmills within the portfolio
- No major greenfield expansions planned in the near term

### **Segment Performance & Outlook**

- **Lumber:** Challenging pricing environment with limited near-term recovery visibility
- **Pulp:** Continued margin pressure from market oversupply
- **Alabama Outlook:** Sawmills in **Mobile, Fulton, and Jackson, Alabama** are among Canfor's more competitive assets and are expected to remain core operations despite cyclical headwinds

## **Chemtrade Logistics Income Fund (TSX: CHE.UN)**

**Outlook:** **Positive**

**AL Outlook:** **Positive**

**Recommended Action:** Maintain engagement with Decatur plant leadership as reliability and water-chemicals investments remain active.

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

### **Key Takeaways**

- Delivered record quarterly EBITDA driven by favorable pricing and operational reliability
- Raised full-year EBITDA guidance reflecting sustained momentum

- Strong balance sheet and conservative leverage profile maintained
- Water chemicals business continues to benefit from stable, essential demand

### **Financial Highlights**

- Revenue increased approximately **12% year-over-year**
- Adjusted EBITDA reached a **record quarterly level**
- Distributable cash increased approximately **18% YoY**
- Net debt-to-EBITDA ratio of approximately **1.8x**, well below target range
- Strong cash generation supports distributions and reinvestment

### **Operational Highlights**

- Sulfur & Water Chemicals segment delivered strong volume and pricing performance
- Electrochemicals benefited from favorable caustic soda and chlorate pricing
- High plant reliability and operational uptime across facilities
- Improved margins driven by both pricing and cost discipline

### **Business Expansions & Capital Expenditure Plans**

- Capital investments focused on water chemicals growth and ultrapure acid projects
- Continued organic growth investments aligned with long-term water treatment demand
- M&A activity advanced with the Polytec acquisition
- Capital allocation prioritized toward high-return, low-risk projects
- No major greenfield expansions announced

### **Segment Performance & Outlook**

- **Water Chemicals:** Stable municipal and industrial demand with long-term growth drivers
- **Electrochemicals:** Pricing environment supportive of near-term margins
- **Alabama Outlook: Decatur, Alabama** water chemical production facility positioned to benefit from sustained demand for municipal and industrial water treatment solutions

Constellium N.V. (NYSE:CSTM)

**Outlook: Positive**

**AL Outlook: Positive**

**Recommended Action:** N/A

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

**Key Takeaways**

- Constellium delivered a record Q3 performance despite macro uncertainty, driven by strong packaging demand, cost discipline, and pricing.
- Adjusted EBITDA excluding metal price lag reached a Q3 record.
- The company raised full-year EBITDA guidance and reiterated long-term growth targets.
- Muscle Shoals, Alabama was highlighted as a standout facility with strong operational performance.
- Balance sheet strength improved with declining leverage and continued share repurchases.

### Financial Highlights

- Q3 revenue totaled **\$2.2 billion**, up **20% YoY**, driven by higher shipments and metal prices.
- Shipments reached **373,000 tons**, up **6% YoY** across all segments.
- Net income was **\$88 million**, up from **\$8 million** in Q3 2024.
- Adjusted EBITDA was **\$235 million**, including a **\$39 million** positive metal price lag; excluding lag, EBITDA was **\$196 million**, up **50% YoY**.
- Free cash flow was **\$30 million** in Q3; FY2025 FCF guidance remains **>\$120 million**.
- Net debt stood at **\$1.9 billion**, with leverage reduced to **3.1x**, down **~0.5 turns** sequentially.

### Operational Highlights

- Recordable safety incident rate was **1.7 per million hours**, maintaining best-in-class performance.
- Packaging shipments increased **11% YoY**, supported by beverage can demand in North America and Europe.
- Aerospace shipments declined **9% YoY**, reflecting OEM inventory adjustments, though space and defense demand remained strong.
- Automotive shipments declined **13% YoY**, particularly in Europe.
- Muscle Shoals, Alabama set multiple operational performance records and improved yield, uptime, and throughput.

### Business Expansions & Capital Expenditure Plans

- FY2025 CapEx remains disciplined and focused on high-return projects.
- Investments include:
  - Casting and rolling upgrades at Muscle Shoals to support packaging growth.
  - Recycling and scrap optimization projects to capture favorable scrap spreads.
  - Aerospace-focused Airware and advanced alloy capacity expansions.
- Ongoing Vision 25 cost program continues to deliver labor and procurement savings.
- Long-term CapEx supports the company's **\$900 million adjusted EBITDA** and **\$300 million FCF** targets by 2028.

## Segment Performance & Outlook

- **Packaging & Automotive Rolled Products:** Adjusted EBITDA **€74 million**, with packaging volumes up **14%**, led by North America.
- **Aerospace & Transportation:** EBITDA **\$90 million**, supported by improved pricing and mix despite lower volumes.
- **Automotive Structural & Industry:** EBITDA **\$33 million**, benefiting from customer compensation and improved mix.
- **Alabama Outlook:** Muscle Shoals remains a core growth and profitability driver within Constellium's North American footprint.
- Outlook remains favorable for packaging and aerospace; automotive expected to recover longer term.

## Evonik (XTRA:EVK)

**Outlook: Neutral**

**AL Outlook: Neutral**

**Recommended Action: N/A**

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

## Key Takeaways

- Evonik reported a weak Q3 due to broad-based demand softness but reaffirmed full-year guidance, citing improving sequential trends and strong Q4 visibility.
- Adjusted EBITDA guidance for FY2025 was reaffirmed at approximately **€1.9 billion**, with management emphasizing confidence in year-end execution.
- Significant progress was made on structural cost reduction initiatives, including workforce reductions and portfolio optimization.
- Free cash flow performance improved materially in Q3, driven by accelerated working capital reduction.
- U.S. operations, including specialty chemicals assets in Alabama, remain strategically important within Evonik's global specialty portfolio.

## Financial Highlights

- Q3 revenue totaled **€3.39 billion**, modestly below consensus due to lower volumes across most end markets.
- Normalized EPS was **€0.27**, down from **€0.34** in Q2 and **€0.59** in Q1, reflecting volume pressure and maintenance-related costs.

- Adjusted EBITDA for FY2025 remains targeted at **~€1.9 billion**, implying a stronger Q4 contribution.
- Free cash flow in Q3 was approximately **€300 million**, reflecting aggressive net working capital reduction.
- To achieve midpoint cash conversion guidance (30–40%), Evonik targets an additional **~€380 million** of free cash flow in Q4.
- Net working capital reductions accelerated throughout Q3, particularly in September.

### Operational Highlights

- Animal Nutrition volumes were depressed in Q3 due to planned methionine maintenance shutdowns; nearly full capacity is expected in Q4.
- Health Care segment is expected to see strong year-end revenue recognition, stronger than the prior year.
- Advanced Technologies EBITDA declined to **€202 million** from **€296 million** YoY, primarily due to inventory reduction and shutdown costs.
- Workforce reductions totaled more than **740 FTEs YoY**, primarily in leadership and administrative roles.
- Infrastructure carve-out (SYNEQT) impacts approximately **3,500 employees** and is progressing on schedule.

### Business Expansions & Capital Expenditure Plans

- Capital expenditures remain disciplined, with a continued focus on high-return specialty projects.
- A new U.S. lipids facility is under construction and expected to contribute meaningfully beginning in 2026.
- New alkoxide and aluminum oxide plants in Asia have begun operations and are expected to support growth in batteries and coatings.
- Backward integration into methyl mercaptan at the U.S. methionine plant is expected to materially improve cost position in 2026.
- Carve-out of infrastructure assets is expected to significantly reduce future infrastructure-related CapEx requirements.

### Segment Performance & Outlook

- **Advanced Technologies:** EBITDA declined to **€202 million** due to maintenance and inventory drawdown, but cash flow improved to **€182 million**.
- **Nutrition & Care:** Animal Nutrition expected to rebound in Q4; Health Care demand remains strong and resilient.
- **Smart Materials:** Stable volumes with growth in battery, hydrogen peroxide, and polymer additives.
- **Alabama Outlook:** U.S. specialty operations remain part of Evonik's strategic growth footprint, particularly in nutrition and specialty intermediates.

- Management expects modest improvement in 2026, supported by cost reductions, capacity ramps, and stabilization in key specialty markets.

## Interfor Corp. (TSX:IFP)

**Outlook: Negative**

**AL Outlook: Positive**

**Recommended Action:** Monitor further capacity expansion potential for Belk given Interfor's U.S. South focus.

**Alabama Location(s):** Belk: Sawmill

### Key Takeaways

- Interfor continued to face severe lumber market weakness, particularly in Western Canada.
- U.S. South operations, including Alabama, significantly outperformed the rest of the portfolio.
- Management emphasized liquidity preservation, cost control, and geographic shift toward the U.S. South.
- Capital spending remains tightly constrained.
- Belk, Alabama remains a core, competitive asset.

### Financial Highlights

- Q3 revenue was **CAD 788 million**, down **23% YoY**, driven by lower lumber prices.
- Net loss totaled **CAD 97 million**, compared to a **CAD 43 million** loss YoY.
- Adjusted EBITDA was **CAD -14 million**, down from **CAD +85 million** in the prior year.
- Operating cash flow was **CAD 5 million**, primarily funding sustaining CapEx.
- Total liquidity stood at **CAD 540 million**, including **CAD 200 million** of revolver availability.
- Net debt totaled **CAD 482 million**, with leverage at **~3.5x**.

### Operational Highlights

- Total lumber production was **776 million board feet**, down **6% YoY**.
- U.S. South mills ran at **~82% utilization**, versus **61%** in British Columbia.
- Belk, Alabama continued operating near full capacity with favorable log costs and strong uptime.
- Log costs in the U.S. South were flat to slightly down sequentially.
- Multiple curtailments continued in higher-cost Western Canadian mills.

### Business Expansions & Capital Expenditure Plans

- Q3 CapEx totaled **CAD 32 million**; full-year CapEx expected at **CAD 140–160 million**.

- Spending focused on:
  - Maintenance and reliability upgrades
  - Safety and environmental compliance
  - Material handling and drying optimization
- Expansion projects in Canada deferred.
- Strategic focus remains on expanding and optimizing U.S. South footprint over time.

### Segment Performance & Outlook

- **U.S. South:** Slightly positive margins despite weak pricing; best-performing region.
- **British Columbia:** Negative margins due to high costs and fiber constraints.
- **Eastern Canada:** Margins pressured by weak pricing and higher freight costs.
- **Alabama Outlook:** Belk sawmill remains a low-cost, high-uptime operation positioned to benefit when housing demand recovers.
- Outlook remains cautious until lumber pricing improves, with long-term optimism for the Southeast U.S.

### International Paper Co. (NYSE:IP)

**Outlook:** Positive

**AL Outlook:** Positive

**Recommended Action:** N/A

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

### International Paper Company

#### Key Takeaways

- International Paper delivered strong sequential improvement, supported by pricing realization, volume recovery, and cost reductions.
- Destocking pressures largely abated across packaging end markets.
- The company raised full-year earnings and free cash flow expectations.
- Alabama facilities were part of IP's high-performing Southern system.
- Focus remains on cash generation, reliability, and disciplined capital allocation.

#### Financial Highlights

- Net sales totaled **\$4.8 billion**, up **6% QoQ**, flat YoY.

- Operating profit reached **\$520 million**, up **27% QoQ**.
- Adjusted operating EPS was **\$0.80**, up from **\$0.53** in Q1 and **\$0.78** in the prior year.
- Free cash flow totaled **\$415 million** for the quarter.
- Q3 CapEx was **\$290 million**; full-year CapEx reaffirmed at **~\$1.2 billion**.
- Net debt stood at **\$4.1 billion**, with leverage at **~2.1x EBITDA**.

### Operational Highlights

- System-wide mill utilization reached **94%**, up from **88%** in Q1.
- Box shipments increased **5% QoQ**, driven by food, beverage, and logistics demand.
- Export containerboard shipments rose **13% sequentially**.
- Cost reduction initiatives delivered approximately **\$95 million** in quarterly savings.
- Alabama mills (Selma, Prattville, Bay Minette, Decatur) reported improved uptime and efficiency.

### Business Expansions & Capital Expenditure Plans

- Capital investments focused on:
  - Mill reliability and automation
  - Box plant modernization
  - Energy and fiber efficiency upgrades
- Selma, AL received fiber optimization and energy efficiency investments.
- Prattville and Bay Minette included in turbine and boiler upgrade programs.
- Sheet plants in Huntsville and Dothan benefited from digital manufacturing initiatives.
- Alabama remains a key geography for future converting and mill optimization projects.

### Segment Performance & Outlook

- **Industrial Packaging:** Accounted for **84% of total operating profit**; pricing increases fully implemented.
- **Printing Papers:** Volumes stabilized; operating profit reached **\$65 million**.
- **Global Cellulose Fibers:** Returned to breakeven after losses earlier in the year.
- **Alabama Outlook:** Facilities across containerboard, converting, and paper remain integral to IP's Southern cost-advantaged network.
- Management expects continued margin improvement and strong cash generation into year-end.

## Louisiana-Pacific Corporation (NYSE:LPX)

**Outlook: Neutral**

**AL Outlook: Neutral**

**Recommended Action:** Engage leadership on potential brownfield OSB debottlenecking or conversion opportunities as market conditions improve.

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

### Key Takeaways

- Q3 reflected continued strength in Siding mix/price (especially ExpertFinish), while OSB remained in an extended trough (low prices near variable cost).
- Siding results reinforced confidence in share gains: Siding revenue **+5% YoY** despite flat volume; ExpertFinish volume **+17% YoY** and drove outsized mix benefit.
- Operational execution remained a focal point: OSB achieved **80% overall equipment effectiveness (OEE)** despite disciplined curtailments to balance supply/demand.
- Alabama relevance: LP's OSB network includes **Hanceville** and **Thomasville** (important to LP's Southern production footprint and cost position), with Southeast demand conditions specifically cited as weak for OSB during the quarter.

### Financial Highlights

- Q3: **Revenue \$663M** and **EPS (normalized) \$0.36**.
- Total company **EBITDA \$82M** (down significantly YoY), mainly due to low OSB pricing.
- Cash generation remained strong relative to EBITDA: **\$82M EBITDA** translated to **\$89M operating cash flow** (after typical working capital/taxes/interest).
- Capital deployment: **\$84M CapEx** in Q3 (growth in ExpertFinish/Structural Solutions + sustaining); **\$19M dividends**; ended quarter with **\$316M cash** and **>\$1B liquidity** (including undrawn revolver).
- Guidance: reaffirmed full-year Siding EBITDA **\$430M** and updated total company EBITDA expectation to **~\$420M** (corporate/LPSA impacts mean total is ~10M below sum of Siding + OSB).

### Operational Highlights

- Siding: average selling prices **+5% YoY** (prime +3%, ExpertFinish +12%); ExpertFinish represented **10% of Siding volume** but **17% of Siding revenue**, highlighting premium mix.
- ExpertFinish demand remains high enough that LP implemented a **managed order file** until new capacity comes online **early next year**.

- OSB: demand sluggish (especially Southeast); prices “barely above variable cost” for much of the quarter; operations outperformed internal algorithm due to efficiency and cost control.
- Manufacturing excellence: OSB OEE **80%** (up **2 points YoY**) while still managing capacity discipline.

### **Business Expansions & Capital Expenditure Plans**

- Capacity planning pivot: paused further mill-specific spending on certain Siding capacity options while continuing long-lead “mill-agnostic” investments; noted the “sense of urgency” behind the Houlton expansion has diminished given market softness.
- Conversion option under evaluation: LP exploring converting its **Maniwaki, Quebec OSB mill** into Siding capacity; described as a large OSB facility (**~600–650MM feet OSB capacity**) that could translate into **~\$400M of Siding** revenue potential at scale.
- Continued investment to expand ExpertFinish and Structural Solutions capacity (timed for early next year); also maintaining sustaining capex for safety/reliability across the manufacturing footprint (including OSB mills).
- Tariff commentary: retaliatory tariffs on ExpertFinish imports into Canada were costing about **\$2M** in Q3 but were rescinded in late August; management stated current tariff costs are minimal aside from some raw materials.

### **Segment Performance & Outlook**

- Q4 Siding: guides to **~\$370M revenue** and **~\$82M EBITDA**; expects **~3% YoY revenue growth** largely from price, with ExpertFinish continuing to outperform on mix.
- Q4 OSB: guidance slightly improved but still depressed; expects the OSB segment to post an **~\$45M EBITDA loss** in Q4 (algorithmic projection based on current pricing/utilization).
- Pricing actions: announced a price increase for 2026, targeting net **~3%–4%** (varying by product/geography) while actively managing order intake to avoid channel inventory build.
- Alabama operations lens: Southeastern OSB demand softness was explicitly mentioned as a headwind; LP’s Southern OSB footprint (including Alabama mills) remains important to disciplined utilization, cost control, and any future network optimization decisions.

## **NFI Group Inc. (TSX:NFI)**

**Outlook: Neutral**

**AL Outlook: Neutral**

**Recommended Action: N/A**

**Alabama Location(s):** Anniston - bus manufacturing facility

### **Key Takeaways**

- Demand remained strong despite seasonally slower quarter: **644 equivalent units** of new orders; **108.5% LTM book-to-bill** and **71.8% option conversion**.

- Backlog reached **15,606 equivalent units** valued at **\$13.2B** (37% firm / 63% options), giving substantial 2026 production visibility.
- Significant non-recurring headwind: recorded a **\$229.9M warranty provision** tied to a battery recall impacting **~700 buses/coaches** (primarily New Flyer).
- Continued operational recovery: improved margins and unit economics as higher-priced backlog converts into deliveries.
- Alabama relevance: Anniston bus manufacturing facility remains part of the North American production network; the call emphasized ramping deliveries and supply chain normalization that supports North American throughput.

### Financial Highlights

- Q3: **Adjusted EBITDA +52% YoY**; free cash flow improved **+\$12.8M YoY**; liquidity increased **+\$240.2M to \$386M**.
- Leverage improved: total leverage **4.28x** (improved by ~1 turn vs end of 2024); for banking purposes (excluding converts/leases) leverage **3.37x**.
- Battery recall accounting: without the recall, manufacturing gross margin would have been **10.2%** and gross profit per equivalent unit **\$66,300** (a **58%** improvement vs Q3'24); manufacturing net earnings would have been **\$26.7M**.
- Working capital was mechanically impacted by the recall provision (reported **\$248M**, would have been **\$464M** without the provision).
- 2025 guidance (updated/tightened): revenue **\$3.5B–\$3.7B** and adjusted EBITDA **\$320M–\$340M**; expects Q4 to be the **highest quarterly adjusted EBITDA** in company history.

### Operational Highlights

- Battery recall response: implemented software updates and operating guidelines to limit state-of-charge/charging speed so customers can continue operating vehicles during interim period.
- Replacement campaign expected to run **18–24 months**, starting **early 2026**, executed primarily in the field via service center network (management stated expectation of **no disruption to 2026 production**).
- Supply chain risk profile improved dramatically: only **3 suppliers** classified as high risk/high impact (down from ~50 at the 2022 peak).
- Seating constraint management: joint venture assumption of **American Seating assets** with GILLIG intended to stabilize supply; “complete but missing seats” units reduced to **~50 equivalent units** after peaking earlier.
- Deliveries: transit deliveries **+14% YoY** (North America-driven) despite ZEB acceptance delays and seat disruption; coach deliveries down seasonally but expected to rebound in Q4.
- Pricing: average selling price **+19% YoY** for heavy-duty transit buses and motor coaches; record **217 low-floor cutaway buses** delivered (**+36% YoY**) with ASP **+21%**.

### Business Expansions & Capital Expenditure Plans

- Strategic supply chain investment: participation in American Seating stabilization (transaction described as not material financially, but operationally important).
- Facility investments referenced: continued investment in new capacity including an **all-Canadian New Flyer build project in Winnipeg** and Alexander Dennis plant setup in **Las Vegas**.
- Tariffs: management expects tariffs largely pass-through via contracts/price increases (with some lag in aftermarket); noted a new **10% U.S. Section 232 tariff** on imported buses/coaches effective **Nov 1** and efforts to mitigate exposure by repositioning inventory and optimizing production geography.
- Battery recall execution plan leverages existing service network (dedicated bays/teams), limiting the need for new production-line capex but implying service capacity and logistics focus in 2026–2027.

### Segment Performance & Outlook

- Manufacturing segment: improving mix and pricing driving stronger margins and EBITDA trajectory (LTM manufacturing EBITDA **\$174M, +\$114M YoY**).
- Aftermarket: margin pressured by mix, fewer large midlife projects, and tariff timing, but remains a stable cash generator.
- Outlook: expects continued growth in revenue, gross profit, adjusted EBITDA, free cash flow, ROIC, and net earnings into Q4 and 2026; Q4 expected to deliver **record adjusted EBITDA**.
- Alabama operations lens: as North American production normalizes (seats, batteries managed), Anniston and the broader U.S. footprint should benefit from stronger backlog conversion and higher ASP backlog flowing into 2026 schedules.

## Nippon Steel Corporation (TSE: 5401)

**Outlook: Neutral**

**AL Outlook: Neutral**

**Recommended Action:** Monitor Fairfield tubular upgrade timeline tied to the U.S. Steel acquisition.

**Alabama Location(s):** Fairfield: Tubular Products Facility (Seamless pipe production)

### Key Takeaways

- Management described an “extremely challenging” global steel environment, citing continued China-driven low-cost exports and elevated uncertainty from tariffs.
- Notably, earnings results did **not** include U.S. Steel profit contribution; management characterized U.S. Steel’s earnings structure as “fragile,” driven by high variable costs from underinvestment.
- Core thesis: heavy investment is expected to unlock profitability and competitiveness, particularly because the U.S. is viewed as the world’s largest high value-added steel market.

- Alabama relevance: the U.S. Steel investment roadmap explicitly references a **pipe/tube facility upgrade in Fairfield** (premium thread cutting facility and potential tubular processing upgrades).

### Financial Highlights

- Reported FQ2 FY2026 results: **Revenue ~¥2,626,898M; EPS (GAAP) 3.16** (vs. large loss implied by consensus).
- Upward revision for the year (excluding U.S. Steel): underlying business profit forecast increased from **¥650B to ¥680B**, with tariff impact reduced from **¥50B to ¥20B** (net +¥30B), partially offset by weaker market conditions.
- Usiminas stake transfer to Ternium: expected **cash inflow ~¥45B**, but also a **business withdrawal loss of ~¥21B** due to FX difference vs acquisition basis.
- Balance sheet: stated D/E target in the **0.7 range** already achieved as of end of September (helped by asset streamlining and proceeds such as Usiminas transfer).

### Operational Highlights

- U.S. market context: hot-rolled coil rose temporarily to **~\$950/short ton** in early spring after tariff announcements, then traded down to **~\$810–\$820/short ton**, which management said pressured profitability.
- U.S. Steel operational focus: management framed the turnaround around investments improving manufacturing capability, product menu, and capacity expansion—positioning as a “growth strategy, not contraction.”
- Personnel deployment: indicated **~50 personnel** already dispatched to U.S. Steel operations, expected to increase.

### Business Expansions & Capital Expenditure Plans

- U.S. Steel medium/long-term plan: intends **> \$14B** of capital investment, including **\$11B by end of 2028**.
- Targeted outcome: **\$3B/year** of combined “operational synergies + capex benefits” on a 2030 structural basis (**\$2.5B** from investment effects; **\$0.5B** from operational synergies).
- Site-specific actions referenced:
  - **Gary Works**: upgrade hot strip mill to enable line pipe / high-tensile steel; renovate **BF #14** and improve steelmaking equipment.
  - **Mon Valley**: upgrade hot strip mill; install a slag recycler to monetize byproducts.
  - **Fairfield (Alabama)**: install a **premium thread cutting facility**; consider broader tubular processing upgrades to increase throughput.
  - **Big River**: plan to build a DRI plant.
  - Longer-dated: considering a new integrated steel mill (greenfield), plus potential iron mine (Minnesota) and R&D center (Pennsylvania).

### Segment Performance & Outlook

- Near-term: management expects earnings pressure from weak market conditions and volatility; referenced one-offs at U.S. Steel (including Clairton cokes plant incident and pellet contract issues) contributing to forecast reductions.
- Medium-term: expects meaningful earnings recovery as investment effects annualize, coupled with high tariffs and potential interest rate cuts.
- Alabama operations lens: Fairfield tubular investment is positioned to improve throughput and expand premium threading capability (more value-added product mix).

## Nucor Corp. (NYSE:NUE)

### Outlook: **Positive**

### AL Outlook: **Positive**

**Recommended Action:** Monitor downstream and galvanizing expansions tied to infrastructure and data-center demand in Alabama.

**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; Eufaula: Metal buildings manufacturing facility

### Key Takeaways

- Reported strong Q3 performance that beat guidance, driven by stronger-than-expected shipments (steel mills) and lower-than-expected start-up/pre-operating costs, with EBITDA of **~\$1.3B** and **EPS of \$2.63**.
- Continued progress through the final phase of its multi-year investment cycle; **four major projects** targeted for completion by year-end.
- Emphasized momentum in long products (bar/structural) and continued share gains, with particular focus on data-center-driven demand pull-through across upstream and downstream products.
- Alabama-related milestone: began **pole production** in galvanizing operations at its **Alabama Towers & Structures** facility (part of broader downstream expansion).

### Financial Highlights

- Q3 results: **Revenue ~\$8.521B**, **EPS (normalized) \$2.63** (vs. consensus ~\$2.17).
- Generated **~\$1.3B operating cash flow** in the quarter; ended Q3 with **~\$2.7B cash** and **~24% total debt-to-capital**.
- Q3 CapEx **\$807M** (YTD **\$2.6B**); raised full-year 2025 CapEx outlook to **~\$3.3B** (some spend pulled forward from 2026).
- Returned **~\$230M** to shareholders in Q3; YTD returns **~\$1B** (about **72% of YTD net earnings**). Repurchased **~4.8M shares** YTD at **~\$126/share** weighted average.

- Credit strength improved with Moody's upgrade to **A3**; now rated **A-/A3** by **all three** major agencies.

### Operational Highlights

- Steel mills: **\$793M pretax earnings** (down **6% QoQ**); improved bar/structural offset by weaker sheet/plate profitability.
- Notable operating performance: Berkeley division set an **all-time production record** (September); bar group set another **quarterly rebar shipment record**.
- Strong backlog indicators: **sheet backlog tons +13% YoY**; **bar products backlog +35% YoY** at quarter-end.
- Steel products: **\$319M pretax** (vs. \$392M in Q2); external shipments **+4% QoQ**, but mix and higher substrate costs pressured profits; backlog **+14% YoY** and extends into **Q2 2026** for some engineered lines.
- Raw materials: **~\$43M pretax** (vs. \$57M Q2) on lower pricing.

### Business Expansions & Capital Expenditure Plans

- Near-term completions: commissioning of **two bar mill projects**; continued ramp of newer operations; continued progress on sheet coating facilities (Crawfordsville and Berkeley County).
- Major greenfield: new sheet mill in **West Virginia** is **~2/3 complete**, on schedule to start ramping by end of next year.
- Portfolio optimization: decided **not** to proceed with a new rebar micro mill in the Pacific Northwest, citing ability to serve that region from existing bar footprint with better cost/supply chain advantages.
- 2026 spend outlook: expects CapEx to decline **by >\$0.5B** versus 2025 (details to come on year-end call).
- Alabama linkage: Alabama downstream footprint (towers/structures galvanizing) positioned to benefit from infrastructure and data-center buildout demand.

### Segment Performance & Outlook

- Demand: longs strong (infrastructure, nonres construction, energy/data centers), flats more subdued but stable; expects tariffs/trade cases to reduce imports further, supporting domestic pricing and volumes.
- Q4 outlook: expects **lower consolidated earnings** vs Q3 due to seasonal volume declines, **five fewer shipping days**, and **two DRI outages**; expects lower realized pricing in steel mills (sheet-led), stable pricing in steel products.
- Alabama operations (relevant segments): downstream construction products and related galvanizing activity are positioned to ride nonresidential and infrastructure demand; data-center construction cited as a multi-year growth driver.

## Olin Corporation (NYSE:OLN)

**Outlook: Positive**

**AL Outlook: Positive**

**Recommended Action:** Track reliability upgrades and hydrogen-credit-linked economics at Mobile and McIntosh facilities.

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

### Key Takeaways

- Delivered a strong Q3 with robust Chlor Alkali Products and Vinyls (CAPV) performance, partially offset by weakness in Epoxy and Winchester commercial ammunition.
- Achieved eligibility milestone for **Section 45V clean hydrogen production tax credits**, providing a meaningful Q3 benefit and establishing an ongoing tailwind for 2026–2028.
- Emphasized “value-first” commercial strategy and active operating-rate management heading into seasonally weaker Q4 to protect ECU values and reduce working capital.
- Alabama relevance: Olin’s Gulf Coast chlor-alkali footprint (Mobile/McIntosh) is directly tied to qualified clean hydrogen production and broader CAPV performance dynamics.

### Financial Highlights

- Q3 results: **Revenue ~\$1.713B** and **EPS (normalized) \$0.39** (well above consensus ~\$0.09).
- Q3 adjusted EBITDA included a **\$32M pretax benefit** tied primarily to the 45V credit; excluding that, adjusted EBITDA was **\$190M**, an **~8% sequential improvement**.
- Looking forward: expects 45V credit to provide **\$15M–\$20M annual adjusted EBITDA benefit** for **2026–2028** (lower amounts through 2032).
- Working capital and debt: Q3 net debt rose vs Q2 due to **U.S. government payment delays** for Lake City military business (payments received in October); expects **working capital to be a \$100M+ source of cash in 2025** (excluding tax timing) and **net debt flat vs year-end 2024** by end of 2025.
- Q4 guidance: expects adjusted EBITDA **\$110M–\$130M**, including a planned **\$40M EBITDA penalty** to reduce inventories.

### Operational Highlights

- CAPV: ECU values stable; caustic soda demand stable with weakness in pulp/paper offset by strength in alumina and water treatment; improved operating performance and lower costs.
- EDC strategy shift: announced dissolution of the **Blue Water Alliance JV with Mitsui** at year-end; plans to reduce spot EDC exposure and move toward longer-term structural agreements.
- Epoxy: global demand remains weak; facing subsidized Asian imports, especially in Europe; some traction in U.S. pricing after tariff-exemption changes; formulated solutions volumes improved sequentially.

- Winchester: commercial ammo impacted by high retail inventories, weaker retail sales, falling prices, and rising costs; estimated channel inventory reduced commercial sales ~5%–10% YTD. Military demand remains strong with growing domestic/international demand.
- Lake City project: Next Generation Squad Weapon facility construction “well underway,” targeted for completion **late 2027**, with component/equipment deliveries supporting accelerated fielding plans.

### **Business Expansions & Capital Expenditure Plans**

- Epoxy cost improvement: new supply agreement at Stade, Germany expected to deliver ~**\$40M annual adjusted EBITDA benefit starting Jan 2026** (agreement effective Oct 1, 2025), improving European economics similar to benefits from integrated Freeport operations.
- Winchester: operational model shifting to “make-to-order” vs “make-to-inventory,” including extending holiday shutdowns to reduce supply and sustain working-capital reduction.
- Beyond250 initiative: reiterated three pillars—(1) structural rightsizing/cleanup of production assets aligned with outages, (2) streamlining operations/maintenance and reducing contractor dependence, (3) improving operating efficiency leadership.
- Inventory reduction: Q4 plan to free up ~**\$150M cash** through aggressive inventory reduction (despite \$40M EBITDA hit), supporting liquidity and balance sheet priorities.

### **Segment Performance & Outlook**

- CAPV: expects stable ECU values in Q4 despite seasonal demand decline; will adjust operating rates to support pricing and working-capital reductions.
- Epoxy: expects continued near-term pressure, but improvement entering 2026 from Stade agreement, U.S. pricing actions, and potential volume gains in Europe following capacity rationalizations.
- Winchester: expects resiliency driven by military demand; commercial margins expected to remain pressured until channel inventories normalize and demand recovers; ongoing pricing actions and international military opportunities.
- Alabama operations lens: CAPV and clean hydrogen credit mechanics are tied to chlor-alkali plant operations; reliability/cost initiatives and disciplined operating rates directly influence Gulf Coast assets.

## **Outokumpu Oyj (HLSE:OUT1V)**

**Outlook: Neutral**

**AL Outlook: Neutral**

**Recommended Action: N/A**

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

**Key Takeaways**

- Challenging European market conditions weighed on results, but cost savings and strategic initiatives partially offset demand weakness.
- Continued execution of cost-reduction and restructuring programs under the EVOLVE strategy.
- Announced strategic investment in low-carbon metals technology in the U.S.
- Strong liquidity position maintained despite lower profitability.

### Financial Highlights

- Q3 adjusted EBITDA totaled **€34 million**, reflecting weak demand in Europe.
- Stainless steel deliveries declined **11% year-over-year**, with Europe down **12%** and Americas down **6%**.
- Year-to-date cost savings reached **€42 million**, with **€60 million** targeted by year-end.
- Cumulative EBITDA run-rate improvements reached **€336 million**, approaching the **€350 million** target.
- Net debt increased to **€230 million**, with liquidity of **€1.1 billion**.

### Operational Highlights

- European stainless steel prices declined more than **€150 per tonne** quarter-over-quarter due to import pressure.
- Asian imports into Europe increased to approximately **29%** of demand.
- Americas pricing improved due to higher U.S. tariffs, though volumes declined.
- Ferrochrome deliveries increased **3%**, supported by strong demand for low-emission materials.
- Circle Green product volumes increased, supported by premium pricing and new customer wins.

### Business Expansions & Capital Expenditure Plans

- Announced **\$45 million** investment in a U.S. pilot plant to scale proprietary low-carbon metal technology.
- Pilot facility in New Hampshire targeted to scale production from kilograms to one tonne per day by **2027**.
- Future commercial plant envisioned with initial capacity of approximately **10,000 tonnes**.
- Maintenance CapEx expected to remain elevated as part of backlog recovery.
- Growth CapEx will be adjusted based on market conditions.

### Segment Performance & Outlook

- **Europe:** Continued demand weakness expected into Q4; adjusted EBITDA expected to decline due to maintenance and ERP rollout.
- **Americas:** Tariffs support pricing, but volumes remain subdued; growth opportunities beyond standard stainless steel emphasized.

- **Ferrochrome:** Solid demand outlook, supported by CBAM and sustainability-driven sourcing preferences.
- **Q4 Guidance:** Group deliveries expected to decline **5%–15%** sequentially; adjusted EBITDA expected to be lower than Q3.
- Long-term outlook supported by restructuring, sustainability leadership, and technological differentiation.

## Packaging Corporation of America (NYSE:PKG)

**Outlook:** **Positive**

**AL Outlook:** **Positive**

**Recommended Action:** Engage Alabama operations as PCA integrates Greif assets and evaluates brownfield efficiency investments.

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

### Key Takeaways

- Strong Q3 performance driven by pricing, mix improvements, and disciplined cost control.
- Successful integration of the Greif Containerboard acquisition began contributing to earnings.
- Operational execution remained strong despite cautious customer ordering patterns.
- Cash flow generation reached record levels.

### Financial Highlights

- Q3 net sales totaled **\$2.3 billion**, with adjusted EPS of **\$2.73** excluding special items.
- Total EBITDA excluding special items was **\$503 million**, up from **\$461 million** in Q3 2024.
- Packaging segment EBITDA reached **\$492 million**, with margins expanding to **23.1%**.
- Generated record operating cash flow of **\$469 million**, with free cash flow of **\$277 million**.
- End-of-quarter liquidity stood at approximately **\$1.4 billion**.

### Operational Highlights

- Corrugated shipments declined **1.1% year-over-year**, reflecting cautious ordering and tough comparisons.
- Produced **38,000 fewer tons** of containerboard versus Q3 2024 but **59,000 more tons** than Q2 2025.
- Acquired Greif mills produced **47,000 tons** in September and are showing early efficiency gains.
- Extended maintenance outages at Massillon and Riverville implemented to improve long-term reliability.

- Strong cost and production efficiency across the mill and corrugated systems.

### **Business Expansions & Capital Expenditure Plans**

- 2025 capital spending revised to approximately **\$800 million**, reflecting timing adjustments.
- Preliminary purchase accounting for Greif includes **\$870 million** in PP&E and **\$530 million** in intangibles.
- Annual depreciation and amortization from Greif assets expected to approximate **\$130 million**.
- Synergies from Greif acquisition targeted at **\$60 million** run-rate by year two.
- Continued investment focus on mill reliability, automation, and integration efficiencies.

### **Segment Performance & Outlook**

- **Packaging:** Strong margins supported by pricing discipline and integration synergies; volume trends improving sequentially.
- **Paper:** EBITDA of **\$40 million**, with margins near **25%**, benefiting from seasonal strength.
- **Q4 Outlook:** EPS expected around **\$2.40**, reflecting outage costs and seasonally weaker mix.
- Inventory levels expected to remain stable entering year-end.
- Long-term outlook supported by disciplined capacity management and strong end-market diversification.

## **Pilgrim's Pride Corporation (NASDAQGS:PPC)**

**Outlook:** **Positive**

**AL Outlook:** **Positive**

**Recommended Action:** Engage leadership on Alabama's role in future Prepared Foods and Case Ready investments.

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

### **Key Takeaways**

- Delivered strong Q3 profitability despite volatility in commodity markets, supported by diversification into value-added products.
- Continued momentum in Prepared Foods and Case Ready segments reduced exposure to commodity price swings.
- Strong demand for chicken across retail and QSR channels due to affordability relative to other proteins.
- Significant progress made on operational efficiency, biosecurity, and sustainability initiatives.

### **Financial Highlights**

- Q3 net revenues totaled **\$4.76 billion**, up **2.3% year-over-year**.
- Adjusted EBITDA reached **\$633 million**, with an EBITDA margin of **13.3%**.
- U.S. adjusted EBITDA was **\$479 million**, with margins of **16.9%**.
- Europe generated adjusted EBITDA of **\$110 million**, while Mexico delivered **\$44 million**.
- Net debt remained below **\$2.5 billion**, with leverage slightly above **1x EBITDA**.

### **Operational Highlights**

- Prepared Foods net sales increased more than **25%**, driven by expanded distribution and innovation.
- Just BARE brand gained nearly **300 basis points** of market share year-over-year.
- Case Ready sales to key customers exceeded category averages, supporting margin stability.
- Improved live performance, hatchability, and livability drove higher production efficiency.
- Biosecurity efforts intensified amid elevated avian influenza risks.

### **Business Expansions & Capital Expenditure Plans**

- Q3 capital expenditures totaled **\$182 million**, with full-year CapEx expected to approximate **\$700 million**.
- Major projects include conversion of a Big Bird facility to Case Ready, a new protein conversion plant, and a new Prepared Foods facility in Walker County, Georgia.
- Mexico expansions in Fresh and Prepared Foods progressing as planned, including new facilities in Veracruz and Campeche.
- Investments aimed at reducing volatility, increasing value-added mix, and improving long-term returns.
- Continued focus on portfolio diversification and key customer partnerships.

### **Segment Performance & Outlook**

- **U.S.:** Strong demand across retail and foodservice; Case Ready and Prepared Foods expected to continue gaining share.
- **Europe:** Margin pressure persists but operational simplification and brand investment support longer-term recovery.
- **Mexico:** Rapid growth in Fresh, Prepared, and QSR channels, with sales increases ranging from **9% to 17%**.
- **Export Markets:** Values remain above historical averages despite seasonal softness.
- Management expects chicken to remain the most resilient protein category into 2026.

## PPG Industries, Inc. (NYSE:PPG)

**Outlook: Positive**

**AL Outlook: Positive**

**Recommended Action: N/A**

**Alabama Location(s): Huntsville: Aerospace manufacturing facility**

### Key Takeaways

- Delivered record Q3 earnings per share despite mixed end-market conditions, driven by organic growth, pricing discipline, and share gains.
- Performance Coatings and Industrial Coatings segments continued to outperform underlying markets.
- Aerospace coatings emerged as a major growth engine, supported by strong OEM demand and expanding backlogs.
- Automotive refinish experienced near-term pressure from destocking and lower collision claims, viewed as transitory.

### Financial Highlights

- Q3 revenue totaled **\$4.08 billion**, up approximately **1% year-over-year**, with organic sales growth of **2%**.
- Adjusted EPS reached a Q3 record of **\$2.13**, up **5% year-over-year**.
- Performance Coatings segment delivered record net sales with **2% organic growth**.
- Industrial Coatings segment EBITDA increased **12% year-over-year**, supported by volume growth and manufacturing productivity.
- Returned approximately **\$1.2 billion** to shareholders year-to-date through dividends and share repurchases.

### Operational Highlights

- Third consecutive quarter of volume growth despite subdued macro conditions, reflecting strong commercial execution.
- Aerospace coatings posted double-digit organic sales growth, with customer order backlogs reaching approximately **\$310 million**.
- Protective and marine coatings achieved their **10th consecutive quarter** of volume growth.
- Automotive OEM coatings outpaced global light vehicle production, with volumes up **8%** versus industry growth of approximately **4%**.
- Continued rollout of productivity tools such as refinish LINQ subscriptions and MoonWalk installations, now exceeding **3,000 units**.

## Business Expansions & Capital Expenditure Plans

- Announced more than **\$500 million** of investments to expand aerospace coatings capacity, including a new manufacturing facility targeted for commissioning in **2027**.
- Incremental OpEx investments planned in 2025–2026 to debottleneck existing aerospace facilities.
- Continued disciplined capital allocation supported by a strong balance sheet and long raw material supply chains.
- Investment focus remains on high-return, technology-advantaged platforms with durable demand profiles.
- Ongoing innovation investments include AI-designed coatings, such as the DELTRON Premium Glamour Speed Clearcoat.

## Segment Performance & Outlook

- **Performance Coatings:** Aerospace expected to deliver mid- to high-single-digit CAGR over the next three years; refinish expected to normalize by mid-2026.
- **Industrial Coatings:** Continued share gains in automotive OEM and packaging coatings anticipated through 2026.
- **Architectural Coatings:** Europe remains challenged, but strong pricing discipline and structural cost actions position the segment well for leverage upon stabilization.
- **Regional Outlook:** North America and Latin America showing resilience; Europe remains subdued but nearing stabilization.
- Full-year adjusted EPS guidance updated to **\$7.60–\$7.70**, reflecting refinish headwinds.

## Smurfit WestRock PLC (NYSE:SW)

**Outlook: Neutral**

**AL Outlook: Neutral**

**Recommended Action: N/A**

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

## Key Takeaways

- Delivered results in line with guidance despite a challenging macro environment, reflecting early benefits from the Smurfit–WestRock combination and disciplined value-over-volume strategy.
- Significant progress made in portfolio optimization, including exiting uneconomic volumes, closing underperforming assets, and improving profitability across regions.

- Synergy realization is exceeding expectations, particularly from commercial improvements and operating model enhancements.
- Management emphasized strong cash flow generation and early success of the owner-operator model in driving accountability and performance.

### Financial Highlights

- Q3 net sales totaled approximately **\$8.0 billion**, with adjusted EBITDA of **\$1.3 billion**, representing an adjusted EBITDA margin of **16.3%**.
- Generated operating cash flow of **\$1.1 billion** and adjusted free cash flow of approximately **\$580 million** during the quarter.
- North America delivered **\$810 million** of adjusted EBITDA on **\$4.7 billion** of sales, with an EBITDA margin of **17.2%**, reflecting pricing gains and cost discipline.
- EMEA & APAC generated **\$419 million** of adjusted EBITDA on **\$2.8 billion** of sales, with margins holding at **14.8%** despite weak European demand.
- Latin America posted adjusted EBITDA of **\$116 million** on **\$0.5 billion** of sales, achieving margins above **21%**.

### Operational Highlights

- Continued removal of uneconomic volume led to corrugated box volumes declining **7.5% year-over-year**, largely intentional and aligned with value-over-volume strategy.
- Loss-making corrugated operations in North America declined by nearly **50% year-over-year**, with more than **70%** of operations now solidly profitable.
- Approximately **500,000 tons** of containerboard and consumer board capacity closures announced to optimize the asset base.
- Operational performance improved across mills, with high utilization rates maintained even in weaker demand environments.
- Early cultural integration successes reported, with over **300 managers** enrolled in global leadership programs.

### Business Expansions & Capital Expenditure Plans

- Capital expenditure for 2026 is expected to range between **\$2.4 billion and \$2.5 billion**, broadly in line with 2025 spending.
- Investments remain focused on efficiency, sustainability, cost takeout, and high-return growth opportunities rather than greenfield expansion.
- Synergy program remains on track to deliver **\$400 million** in annual run-rate savings exiting 2025.
- Continued rationalization of converting and mill assets in North America, Europe, and Latin America to improve long-term returns.

- Management reiterated preference for acquisitions over new builds, citing lower capital intensity and superior return profiles.

### Segment Performance & Outlook

- **North America:** Margin improvement expected to continue as pricing actions, cost reductions, and portfolio optimization offset lower volumes; further progress anticipated in replacing exited volumes with higher-quality business.
- **EMEA & APAC:** Integrated mill-converting model continues to provide resilience amid European overcapacity; additional rationalizations expected ahead of a demand recovery.
- **Latin America:** Strong demand growth in Colombia, Chile, and Peru supports long-term growth outlook; Brazil operations benefiting from disciplined pricing and portfolio restructuring.
- **Consumer Packaging:** Ongoing customer migration from CRB to SBS and CUK grades, with approximately **\$100 million** of business already transferred, improving mix and margins.
- Overall outlook remains cautious near term but constructive longer term as economies stabilize and synergy benefits fully materialize.

### Sonoco Products Company (NYSE:SON)

**Outlook:** **Positive**

**AL Outlook:** **Positive**

**Recommended Action:** N/A

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

### Key Takeaways

- Sonoco delivered record Q3 results driven by acquisitions, pricing discipline, and productivity gains.
- The company continued simplifying its portfolio toward consumer and industrial packaging.
- Alabama facilities in **Opp (tubes & cores)** and **Hartselle (reels)** remained integral to the Industrial Packaging segment.
- Management highlighted strong margin expansion despite softer demand in certain regions.
- The pending ThermoSafe divestiture is expected to materially reduce leverage.

### Financial Highlights

- Q3 net sales totaled **\$2.13 billion**, up **57% year-over-year**.
- Adjusted EPS was **\$1.92**, up **29% year-over-year**.
- Adjusted EBITDA reached **\$386 million**, up **37%**, with margin of **18.1%**.
- Operating cash flow was **\$292 million**, up over **80% year-over-year**.

- Full-year adjusted EBITDA guidance narrowed to **\$1.3–\$1.35 billion**.

### **Operational Highlights**

- Industrial Packaging EBITDA increased **21%**, driven by productivity and pricing.
- Alabama operations supported reels, tubes, and paperboard converting activities.
- Consumer Packaging performance surged due to Metal Packaging EMEA acquisition.
- Footprint rationalization actions improved fixed-cost absorption.
- Productivity savings continued across North American operations.

### **Business Expansions & Capital Expenditure Plans**

- Q3 capital expenditures totaled **\$65 million**.
- Full-year capital spending expected to remain below **\$360 million**.
- Investments focused on automation, cost reduction, and targeted growth projects.
- Alabama facilities expected to benefit from continued industrial packaging demand.
- ThermoSafe divestiture proceeds expected to materially reduce debt.

### **Segment Performance & Outlook**

- Industrial Packaging margins expanded significantly despite flat volumes.
- Consumer Packaging expected to face softer demand in Europe but remain strong in North America.
- Alabama facilities remain well-positioned within Sonoco’s core industrial network.
- Management expects continued margin improvement through cost actions.
- Long-term outlook supported by simplified portfolio and strong cash generation.

## **Sumco Corporation (TSE:3436)**

**Outlook: Neutral**

**AL Outlook: Positive**

**Recommended Action: N/A**

**Alabama Location(s):** Theodore: High-Purity Silicon America Corporation

### **Key Takeaways**

- Sumco continued to navigate a challenging semiconductor market, particularly for mature-node wafers.
- The company emphasized long-term positioning for AI-driven semiconductor demand.

- The Theodore, Alabama silicon wafer facility remains part of Sumco’s global manufacturing footprint.
- High depreciation from prior capacity expansions continued to pressure profitability.
- Management expects 2026 to remain difficult before improvement in 2027–2028.

### **Financial Highlights**

- Q3 revenue totaled approximately **¥99.1 billion**, down **3.8% quarter-over-quarter**.
- Operating loss for the quarter was **¥1.6 billion**.
- Nine-month depreciation totaled **¥80 billion**, up nearly **¥24 billion year-over-year**.
- Capital expenditures for the quarter were **¥17.4 billion**, with nine-month CapEx of **¥69.3 billion**.
- Free cash flow was **negative ¥15.2 billion** due to heavy investment spending.

### **Operational Highlights**

- 300mm wafer demand showed gradual recovery, driven by AI and advanced logic.
- 200mm wafer demand remained weak due to oversupply and China-related market shifts.
- Utilization improved at newer facilities while older plants experienced declining runs.
- Alabama operations continued serving U.S. and global customers amid export constraints.
- Management highlighted the need to modernize legacy facilities.

### **Business Expansions & Capital Expenditure Plans**

- CapEx peaked in 2023 and is now declining sharply.
- 2025 CapEx expected to fall significantly below prior-year levels.
- Future investments will focus on modernization rather than large-scale capacity additions.
- Depreciation expected to peak in 2026 before declining.
- Alabama facility expected to benefit from long-term U.S. semiconductor reshoring efforts.

### **Segment Performance & Outlook**

- Leading-edge wafer demand tied to AI remains strong.
- Memory and mature-node logic markets remain oversupplied.
- 2026 expected to remain a loss-making year due to depreciation.
- Profitability expected to improve as depreciation rolls off post-2026.
- U.S. manufacturing footprint, including Alabama, remains strategically important.

## Tyson Foods Inc. (NYSE:TSN)

**Outlook: Positive**

**AL Outlook: Positive**

**Recommended Action:** Engage Albertville and Blountsville operations on efficiency and prepared foods growth opportunities.

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

### Key Takeaways

- Tyson delivered strong fourth-quarter performance, driven primarily by chicken and prepared foods.
- The company significantly exceeded earnings expectations despite ongoing pressure in the beef segment.
- Alabama facilities in **Albertville and Blountsville** continued to support chicken and prepared foods operations.
- Management emphasized operational discipline, value-added product mix, and innovation as key drivers.
- The company entered fiscal 2026 with improved leverage and strong cash flow momentum.

### Financial Highlights

- Q4 revenue totaled **\$13.9 billion**, up **4.8% year-over-year**.
- Adjusted EPS was **\$1.15**, exceeding consensus by nearly **39%**.
- Full-year adjusted EPS reached **\$4.12**, up **33% year-over-year**.
- Q4 adjusted operating income was **\$608 million**, up **19% year-over-year**.
- Operating cash flow for FY2025 totaled **\$2.2 billion**, with free cash flow of **\$1.2 billion**.

### Operational Highlights

- Chicken segment delivered **\$457 million** in adjusted operating income in Q4, up **28% year-over-year**.
- Prepared foods achieved the highest fill rates since 2013, reflecting operational improvements.
- Alabama facilities supported volume growth in value-added chicken and prepared foods.
- Beef volumes declined due to historically low cattle supplies.
- Pork performance improved due to network optimization and higher utilization.

### Business Expansions & Capital Expenditure Plans

- FY2026 capital expenditure guidance set at **\$700 million to \$1.0 billion**.

- Investments will focus on automation, efficiency, and margin-enhancing projects rather than capacity expansion.
- Continued spending planned across chicken processing and prepared foods facilities.
- Alabama plants remain part of Tyson’s core domestic production network.
- Management emphasized disciplined capital allocation and return of capital to shareholders.

### Segment Performance & Outlook

- Chicken expected to remain the strongest segment in FY2026 with operating income guidance of **\$1.25–\$1.5 billion**.
- Prepared foods operating income expected between **\$950 million and \$1.05 billion**.
- Beef expected to remain a loss-making segment due to cattle supply constraints.
- Pork outlook improved with expected operating income of **\$150–\$250 million**.
- Alabama operations are positioned to benefit from continued growth in value-added protein demand.

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

**Outlook: Neutral**

**AL Outlook: Positive**

**Recommended Action: N/A**

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

### Key Takeaways

- West Fraser operated through a challenging lumber cycle, with weak pricing and subdued demand impacting results.
- Management emphasized balance sheet strength and liquidity as key differentiators during the downturn.
- The company continued to actively manage capacity through curtailments and permanent closures.
- Alabama saw continued operations at the Maplesville, Opelika, and Lanett sawmills despite broader market softness.
- Strategic capital projects nearing completion are expected to improve cost competitiveness over time.

### Financial Highlights

- Q3 revenue totaled approximately **\$1.3 billion**, down roughly **4% sequentially** due to lower lumber and OSB pricing.
- Adjusted EBITDA was **negative \$144 million**, reflecting pricing pressure and a \$67 million out-of-period duty expense.

- Lumber segment EBITDA declined to **negative \$123 million**, compared to positive EBITDA in the prior quarter.
- Capital expenditures during the quarter totaled approximately **\$90 million**.
- Liquidity remained strong at approximately **\$1.6 billion**, with net cash of **\$212 million** at quarter-end.

### Operational Highlights

- Lumber shipments were reduced as the company adjusted operating rates to match demand.
- OSB pricing declined sequentially, negatively impacting the Engineered Wood Products segment.
- Alabama sawmills continued operating with flexible shift configurations to preserve cash.
- Maintenance outages, including pulp-related downtime, weighed on quarterly results.
- Inventory levels were intentionally kept lean amid uncertain demand conditions.

### Business Expansions & Capital Expenditure Plans

- Full-year 2025 capital expenditure guidance was reaffirmed at **\$400–\$450 million**.
- Capital projects underway are focused on modernization, automation, and cost reduction.
- No major new greenfield expansions were announced during the quarter.
- The company continues to evaluate opportunistic M&A but emphasized discipline and asset quality.
- Alabama facilities are expected to benefit from ongoing system upgrades and efficiency investments.

### Segment Performance & Outlook

- Lumber remains the most challenged segment due to pricing pressure and high duties.
- OSB demand is expected to stabilize but remains sensitive to housing market conditions.
- Alabama operations remain strategically important within the Southern Yellow Pine footprint.
- Management expects continued volatility into early 2026, with recovery dependent on housing starts.
- Long-term outlook remains constructive given structural supply reductions across North America.

## Westwater Resources Inc. (NYSE:WWR)

### Outlook: Neutral

### AL Outlook: Positive

**Recommended Action:** Prepare for workforce, supplier, and infrastructure coordination as Kellyton approaches commissioning and financing milestones.

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

### Key Takeaways

- The company remained focused on advancing its U.S. domestic graphite strategy, centered on Alabama, amid continued permitting, financing, and construction activities.
- Management emphasized the strategic importance of the Kellyton, Alabama graphite processing facility as a cornerstone for supplying battery-grade graphite to U.S. EV and energy storage markets.
- The quarter reflected limited revenue as the company remains in a pre-commercial phase, with performance driven primarily by project development milestones rather than production.
- Westwater highlighted ongoing engagement with U.S. federal and state stakeholders to support domestic critical minerals supply chains.
- The company continued to position itself as a non-Chinese alternative supplier for natural graphite, aligning with Inflation Reduction Act objectives.

### **Financial Highlights**

- The company reported minimal operating revenue, consistent with its development-stage status.
- Operating expenses remained elevated due to engineering, permitting, staffing, and professional services tied to the Kellyton graphite plant.
- Net loss for the quarter widened modestly due to higher project development and corporate overhead costs.
- Cash balance declined sequentially as capital expenditures and operating costs outpaced inflows.
- Management reiterated the need for additional financing to complete construction and commissioning activities.

### **Operational Highlights**

- Engineering and site preparation activities continued at the Kellyton, Alabama graphite processing facility.
- Procurement work advanced for long-lead equipment required for graphite purification and micronization.
- Pilot-scale processing and product qualification efforts continued to support customer validation.
- The Coosa graphite deposit in Alabama remained a long-term feedstock option, though near-term focus remains on third-party sourced material.
- Workforce planning continued in anticipation of transitioning from construction to operations.

### **Business Expansions & Capital Expenditure Plans**

- Capital spending during the quarter was primarily directed toward construction-related activities at the Kellyton plant.
- Total expected capital investment for the Kellyton facility remains in the range previously disclosed by management (approximately \$200+ million over the full buildout).
- Management reaffirmed plans for a phased commissioning approach to manage capital intensity and operational risk.
- The company continued discussions with potential strategic partners, customers, and government programs to support project financing.
- Future expansion plans include potential downstream processing capacity increases contingent on customer commitments.

### **Segment Performance & Outlook**

- As a single-asset development company, performance is tied entirely to the graphite segment.
- Near-term outlook remains focused on completing construction, securing financing, and achieving commercial production.
- Management reiterated confidence in long-term demand for battery-grade graphite driven by EV adoption.
- Alabama remains the central operational footprint for both processing and potential mining activities.
- The company expects limited financial improvement until commercial operations commence.

### **Additional Notes:**

#### **BAE Systems plc (LSE:BA.)**

- September 30, 2025 – BAE Systems and Forterra Join Forces to Develop Autonomous Armored Multi-Purpose Vehicle Prototype

#### **General Electric Company (NYSE:GE)**

- September 4, 2025 – GE Aerospace and BETA Technologies Partner to Advance Hybrid Electric Flight

#### **Kratos Defense & Security Solutions (NASDAQGS:KTOS)**

- September 23, 2025 – Kratos to Be Exclusive US Manufacturer for the Elroy Air Chaparral VTOL Cargo Drone

### L3Harris Technologies (NYSE)

- August 13, 2025 – US Space Force Successfully Launches L3Harris-Built NTS-3 Satellite

### Quest Diagnostics Incorporated (NYSE:DGX)

- August 5, 2025 – Quest Diagnostics Incorporated (NYSE:DGX) completed the acquisition of Select assets of Spectra Laboratories, Inc.

### Teledyne Technologies Incorporated (NYSE:TDY)

- August 7, 2025 – Teledyne HiRel Semiconductors Launches eMMC 5.1 Module