Comprehensive Program ROI
2018 Update

Finalized April 2019
Background and Methodology Commentary

- The Softwood Lumber Board (SLB) engaged Prime Consulting Group to develop and execute a comprehensive measurement and evaluation program for SLB program activities.
  - The full review measured 2012-2015 and compared to wood usage in 2011, the year before the SLB program commenced.

- Prime has been asked at the end of each year to provide a topline update to the evaluation by projecting each year’s results and adding those results to the cumulative results developed previously.

- The 2016-2018 updates did not involve an industry-wide survey of target audiences, rather they both relied upon internal partner reporting and industry-level data from Forest Economic Advisors (FEA).

- The key performance measure, Revenue per $ spent, was developed for these years. These were added to the revised 2012-2015 performance of $15.77 per $1 spent to obtain a cumulative 2012-2018 measure.

- Incorporating 2018 brings SLB cumulative outcomes to $1.9 Billion or incremental revenue or $23.11 per $1 spent (2012-2018) as shown on the following pages.
Has Generated $1.9B of Revenue Since 2012

Incremental revenue was based upon the projected incremental Board Feet of Lumber multiplied by the average price across each year.

2018 1,244 MM BF
2012-18 4,853 MM
The outcome, or results, of the Softwood Lumber Board programs has been an incremental $1.9 Billion of revenue from $82MM of spending. This translates to $23.11 of revenue for each $1 spent over the six years. In 2018 the program delivered $38.41 for each $1 spent.

2012-15* $15.77
2012-18 $23.11

* Revised from $15.55 due to 2015 actual spending being lower than projected.
SLB Impact (1B+ BF) in Last 2 Years Averages 70-85 BF/$1

SLB Program Incremental Lumber (MMBF) Compared to Spending ($MM)

Incremental BF per SLB $1

70-85 BF per $1
Incremental Sales Have Grown Annually, Even in ‘12$’s

Incremental BF and sales dollars have grown each year, since SLB’s inception. Through 2016, pricing was a modest (4-16%) portion of the increase. Over the past two years, that has risen to 23% and 31% (of the dollar growth) respectively.

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Vast Majority of Incremental Revenue Has Come from Volume (Board Feet) Growth. In 2018 69% from BF, 31% from Pricing.

During 2012-15 the portion of incremental revenue due to volume (Board Feet) averaged 89%. This dropped to 69% in 2018 due to higher prices ($460/MBF vs $318/MBF in 2012).

2012 average price ($318/ M BF) used for volume gains