



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
2012-18



Expenditures (\$MM)	'12	'13	'14	'15	'16	'17	'18
	\$4.2	\$8.7	\$12.4	\$12.5	\$15.3	\$14.4	\$14.9

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

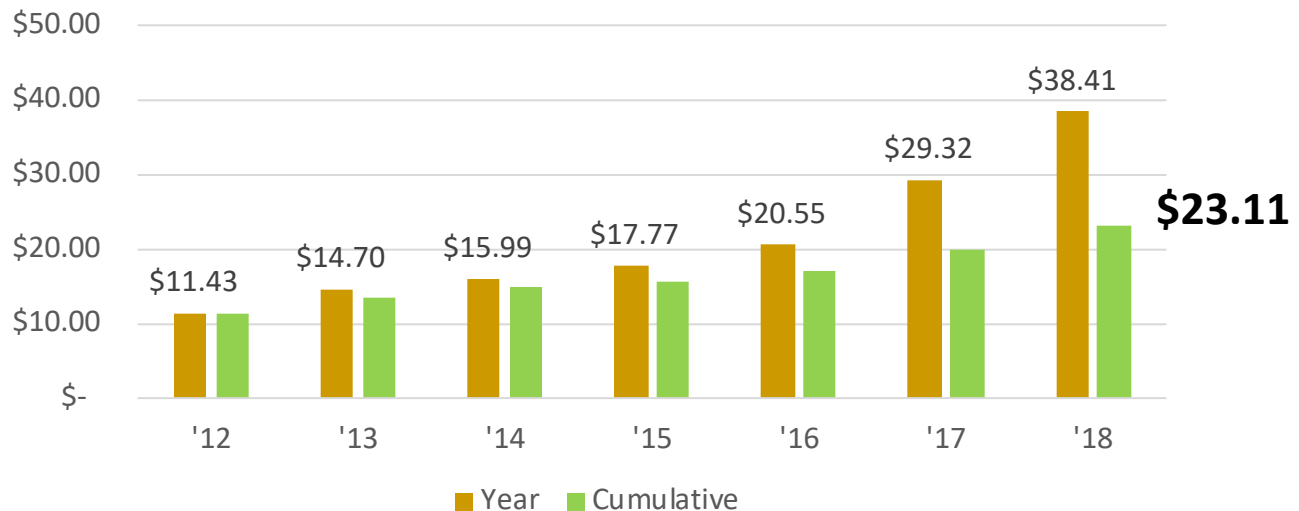
2012-18 4,853 MM

Results - \$23 for each \$1 Spent

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.

	2018	\$38.41
2012-15*	2012-18	\$23.11
		\$15.77

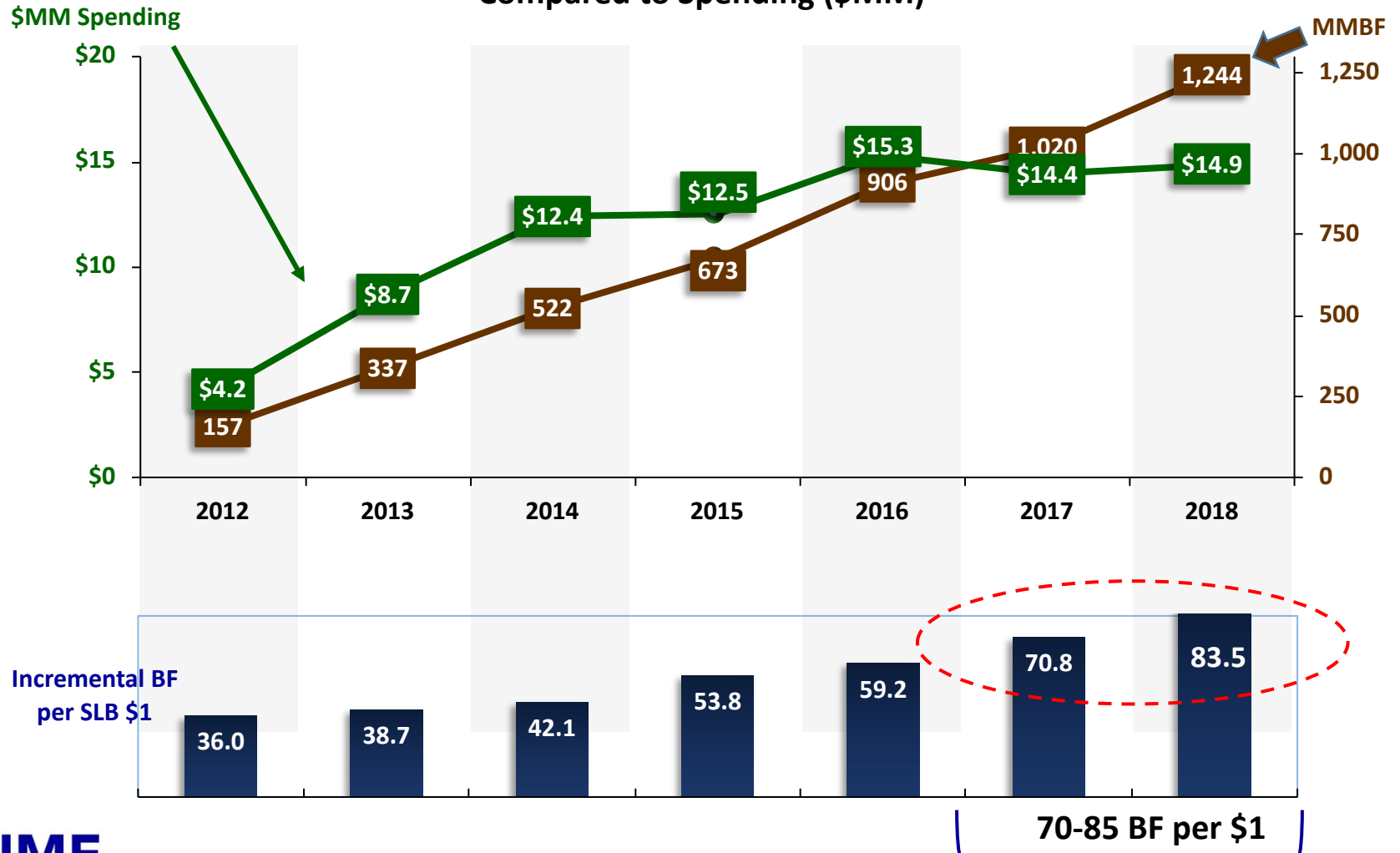
Incremental Revenue per \$ Spent



* Revised from \$15.55 due to 2015 actual spending being lower than projected.

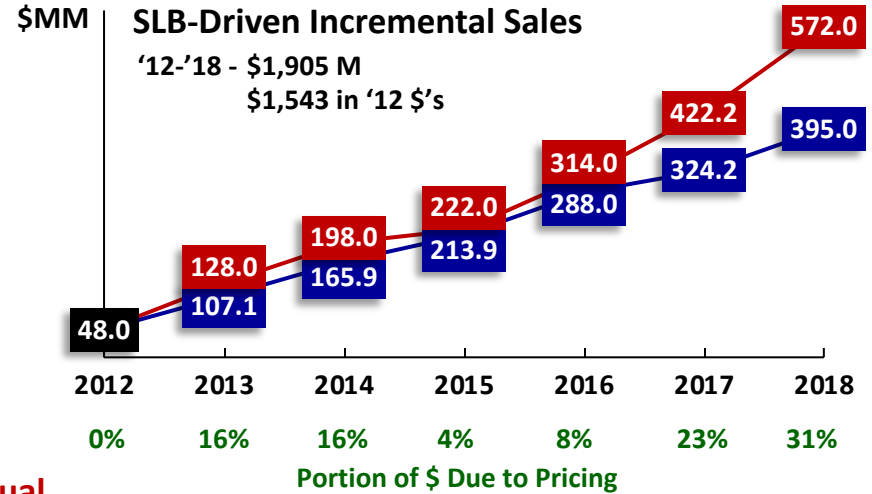
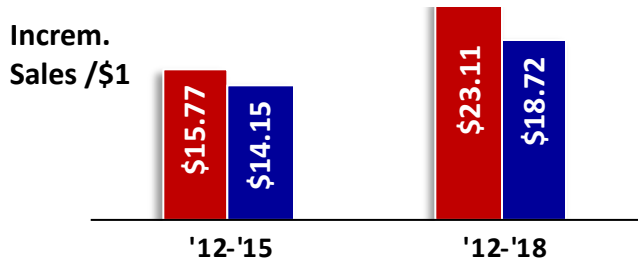
SLB Impact (1B+ BF) in Last 2 Years Averages 70-85 BF/\$1

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

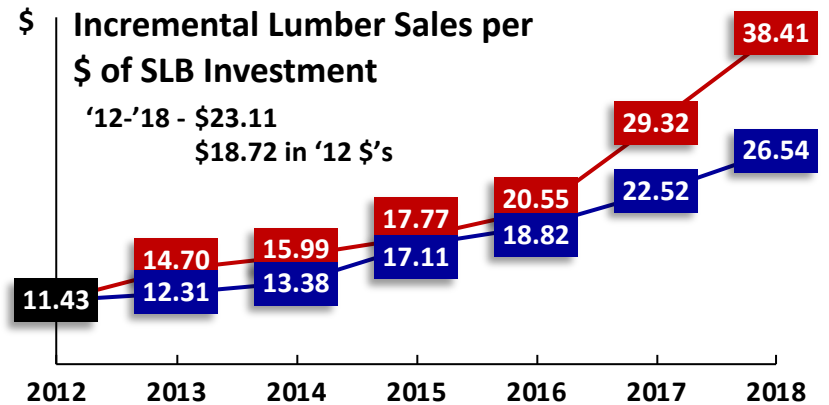
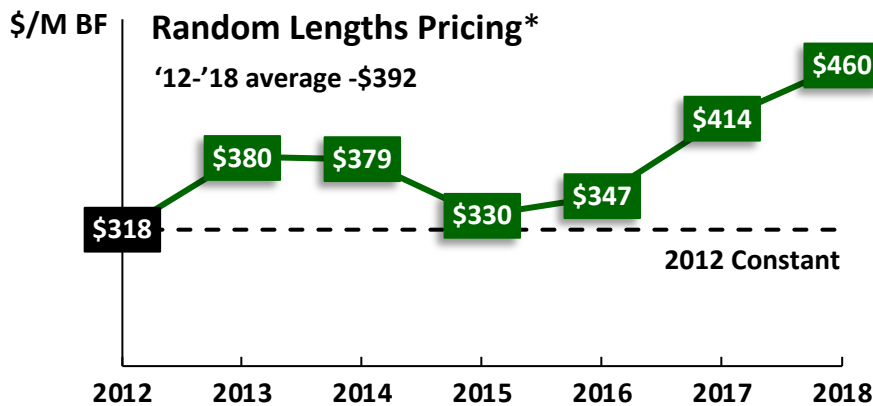


Incremental Sales Have Grown Annually, Even in '12\$'s

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.



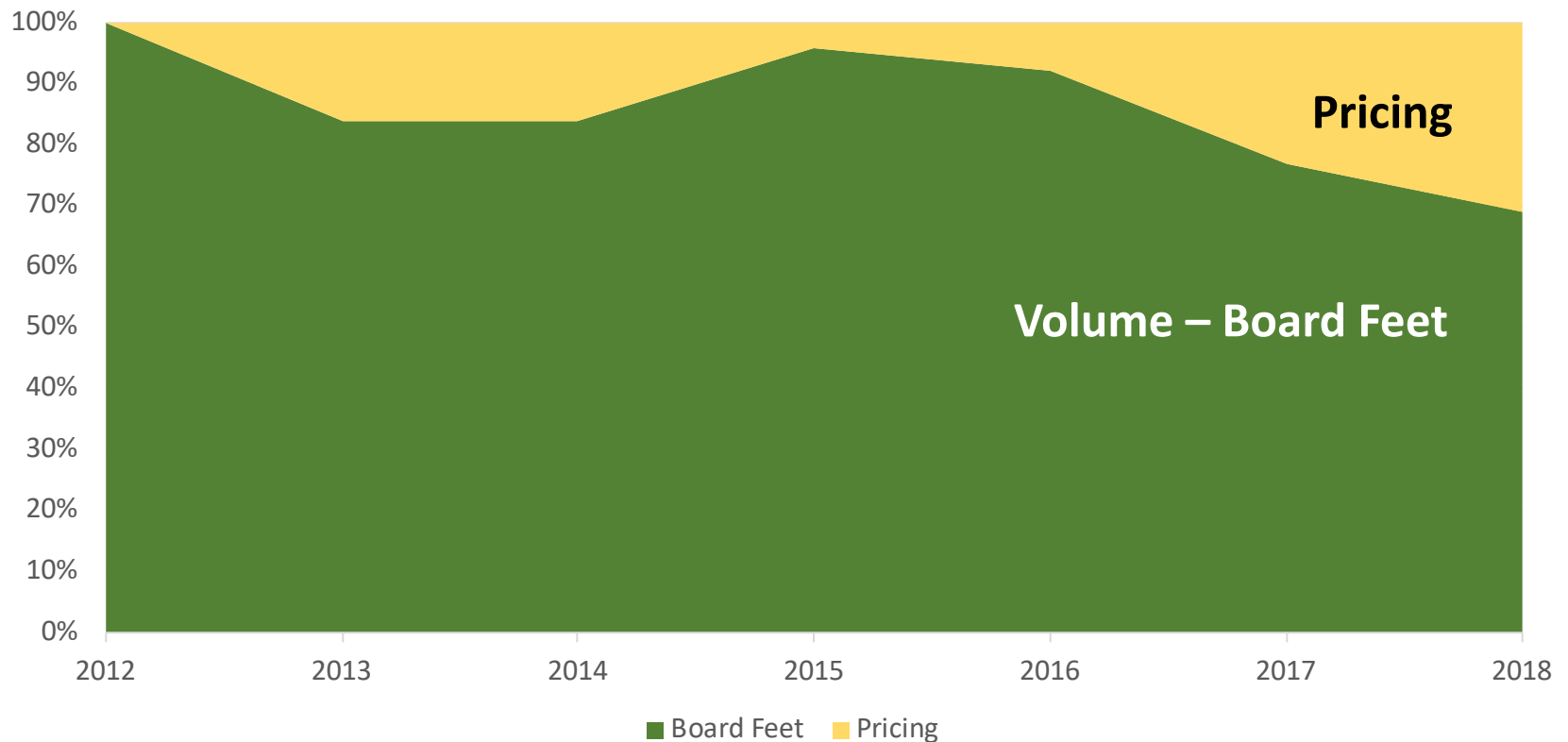
Actual
Actual at '12 Prices



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).

Portion of Incremental Revenue from Volume versus Pricing



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