



International Softwood Conference 2022

Don Kayne, President and CEO, Canfor Corp

Market Development & Outlook: A Canadian Perspective

Company Overview

Lumber



38 Sawmills*

13 million cubic meters*

Global platform

World's Largest Softwood Lumber Producer

Pulp & Paper

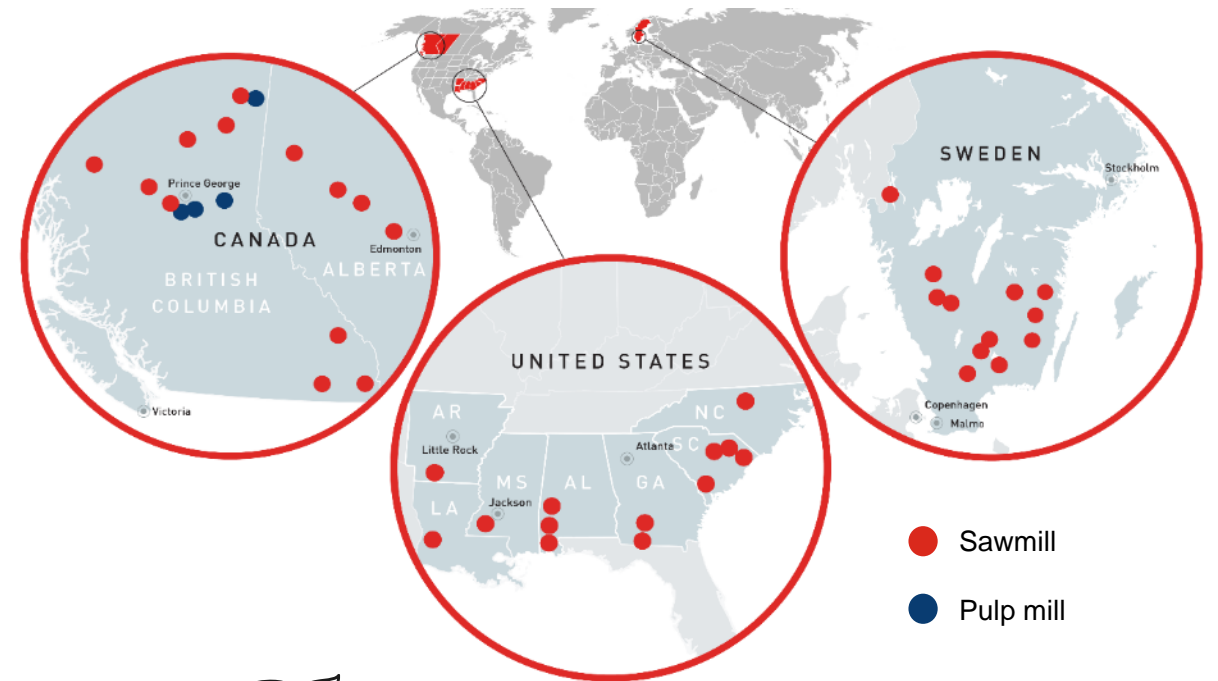


4 Pulp Mills

1M tonnes of Northern Softwood Kraft

Integrated Paper Machine

High-value product focus



Other Operations



16 Value-Added Facilities

Pellet, glulam, finger joint plants

Green energy plants, trucking fleet

Innovation & reforestation facilities

Packaging & housing facilities

*Includes Greenfield Sawmill in Louisiana (250 MMfbm, 2023) and organic growth in Arkansas (115 MMfbm, 2024)

A Global Leader

Our Vision

To be the most innovative and sustainable global resource company delivering the highest value to our customers.





Access to global markets
and resources



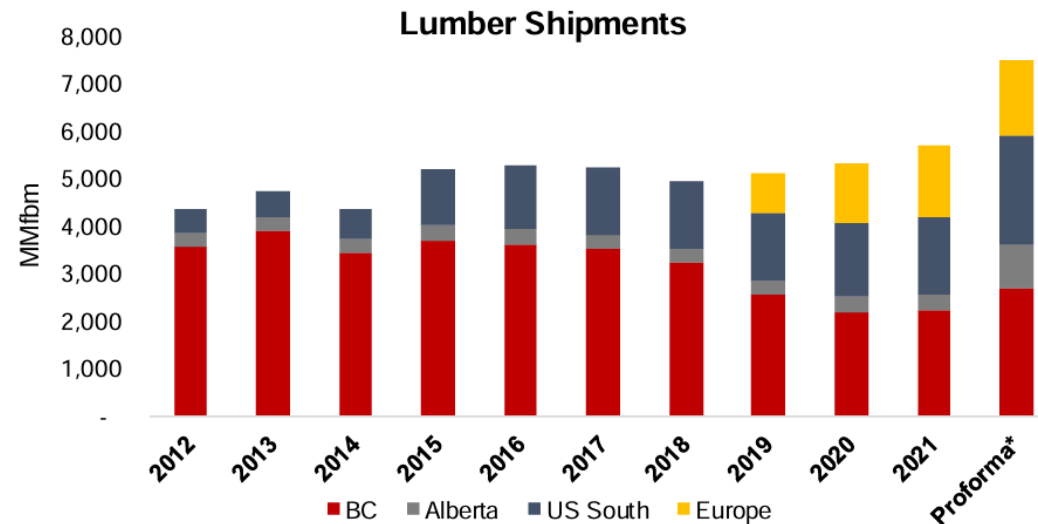
Reliability to consistently
provide our customers with
high-quality products.



A single source supplier
for some of our key
strategic customers.

Global Diversification

We are executing on a strategy of geographic and product diversification to meet the growing demands of our global customers and to secure a sustainable future for the company.

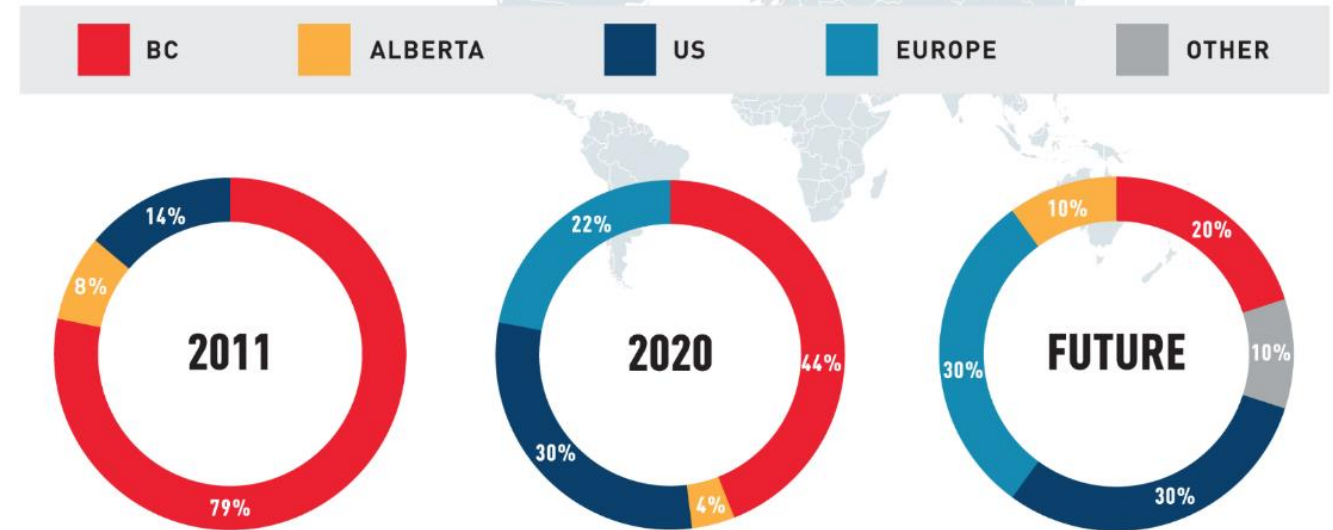


Vision for Future Geographic Growth

Continued diversification of global footprint targeting 17 million m³

Maintaining traditional outlets while expanding technical product line growing along with our customers.

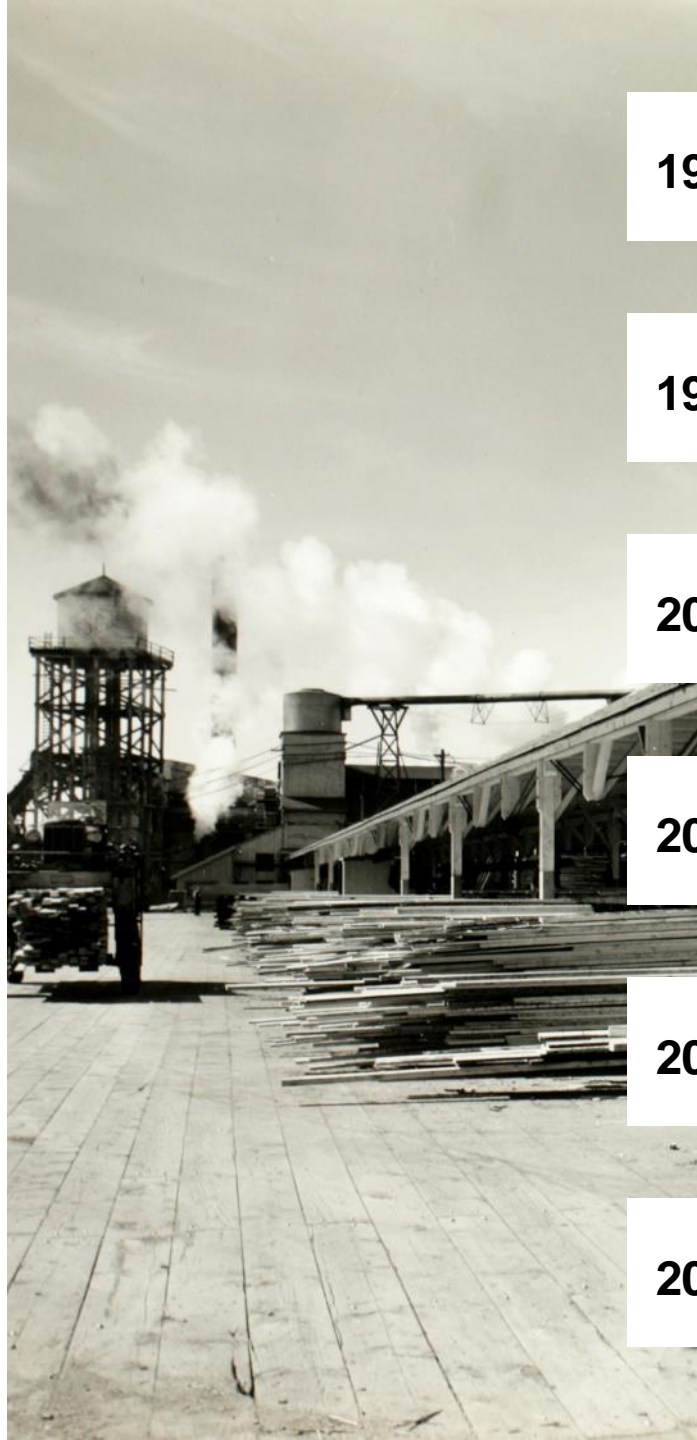
OUR EVOLUTION



Our Journey

Canfor traces its roots back to **1938**, when brothers-in-law John Prentice and Poldi Bentley and their families left their native Austria.

We've grown through strategic acquisitions that support Canfor's vision, values and customers.



1955

Expanded across B.C. and Alberta.

1983

Canfor became a public company.

2006

Beginning of global expansion.

2016

Opened our corporate headquarters of our U.S. operating company, Canfor Southern Pine, in Mobile, Alabama.

2019

Canfor welcomed Vida team to company.

2022

Acquired Millar Western solid wood operations and tenure; announced two new greenfield sawmills and major modernization projects in U.S. South.

BC – Leaner but Stronger

In British Columbia, where our company has its roots, the operating environment has become increasingly challenging.

As a result, we're making adjustments to our operating footprint.



Mountain Pine Beetle

The beetle infestation felled 730 million cubic metres of pine between 2000 - 2015



Wildfires

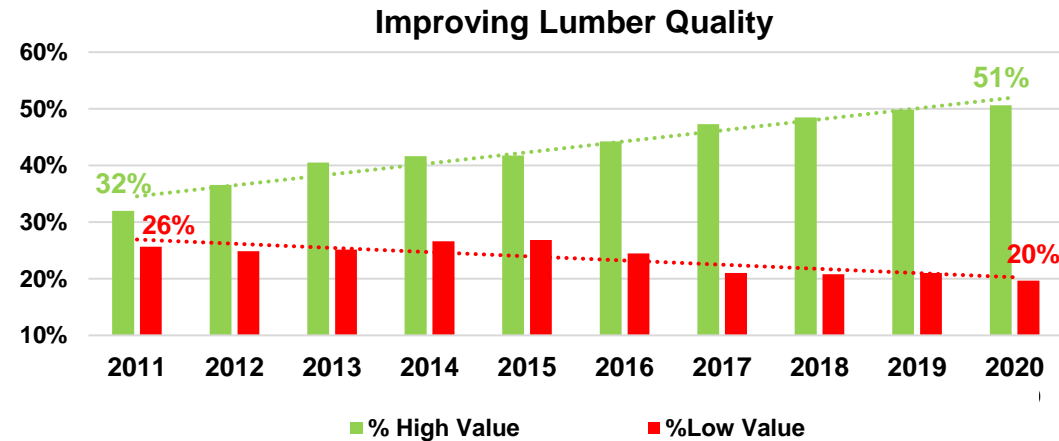
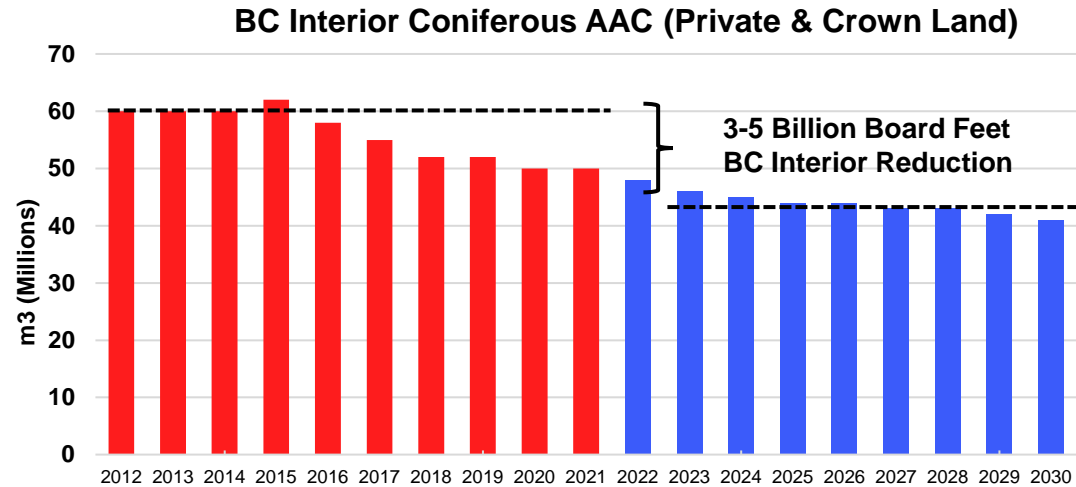
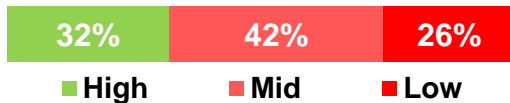
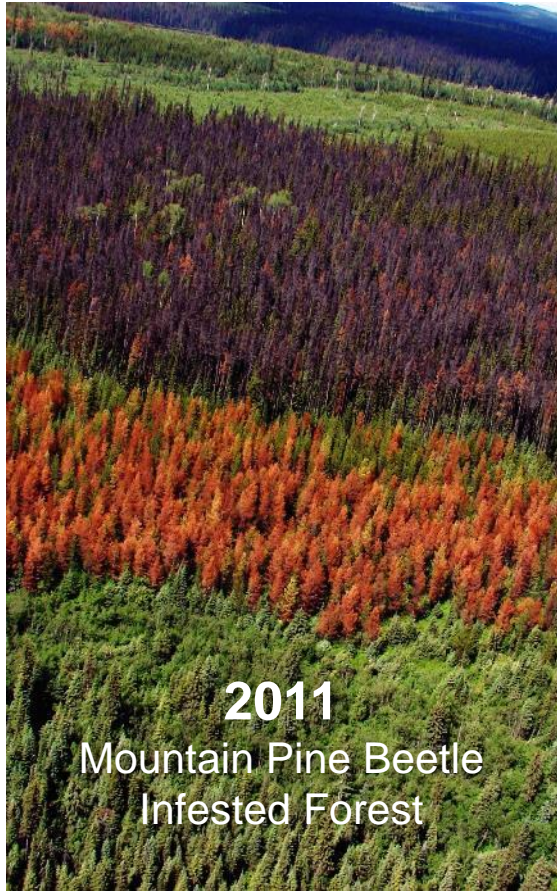
2021 saw the third-largest wildfire season, with about 8,700 square kilometres of forest burned



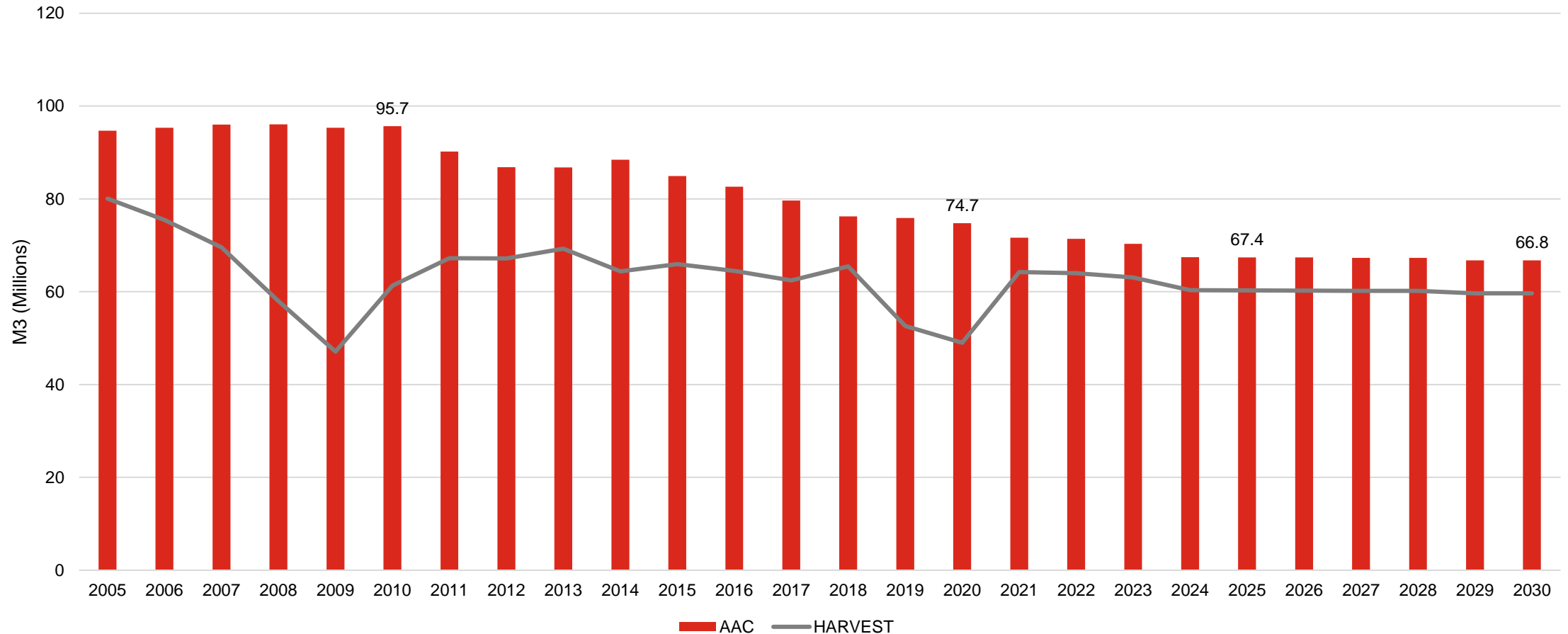
Policy & Regulation

Harvesting has been limited due to government decisions to restrict land use and protect certain old growth forested areas and boreal forests

Western Canadian SPF: Doing More With Less



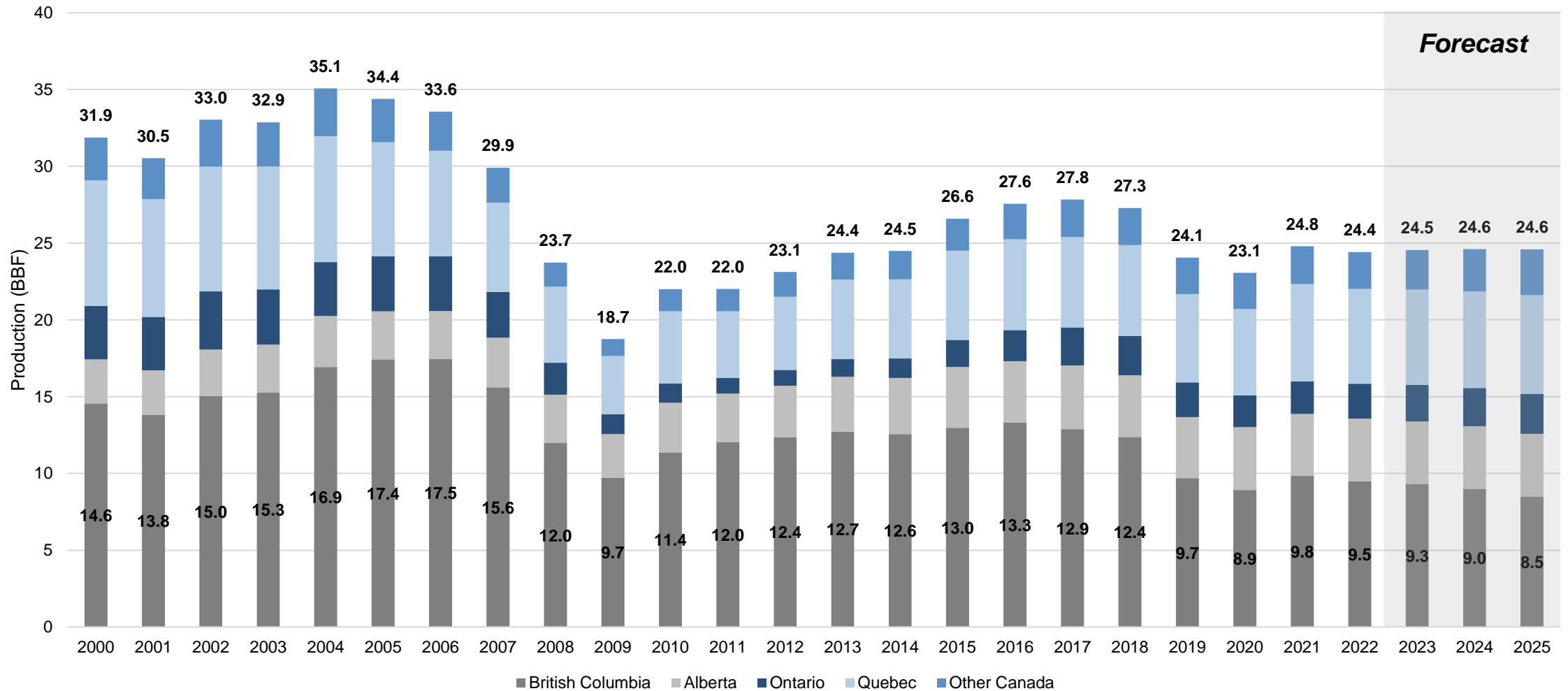
British Columbia: Annual Allowable Cut & Harvest Outlook



Source: National Forestry Database, Canada National Forest Inventory, Natural Resources Canada, BC Fibre Model (Jim Girvan), Statistics Canada, FAO Global Forest Resources Assessment



Canadian Production Outlook



Source: FEA, Canfor

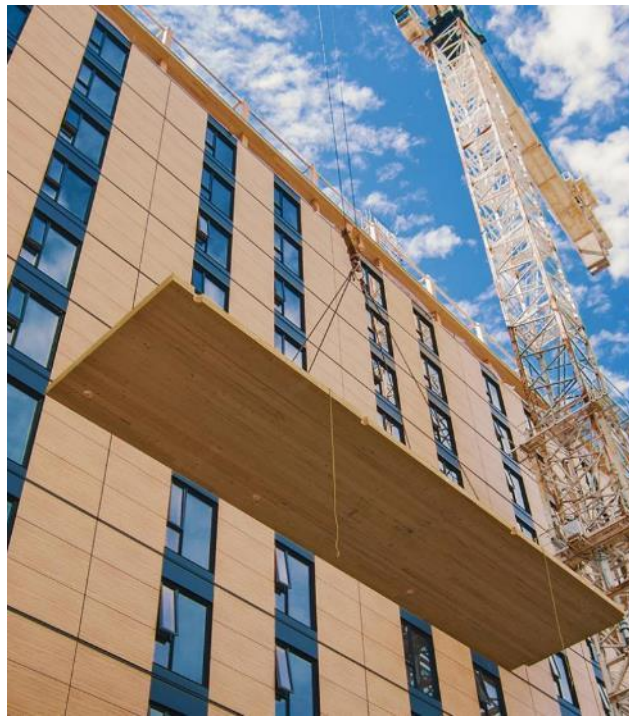




Canada's Demand Outlook

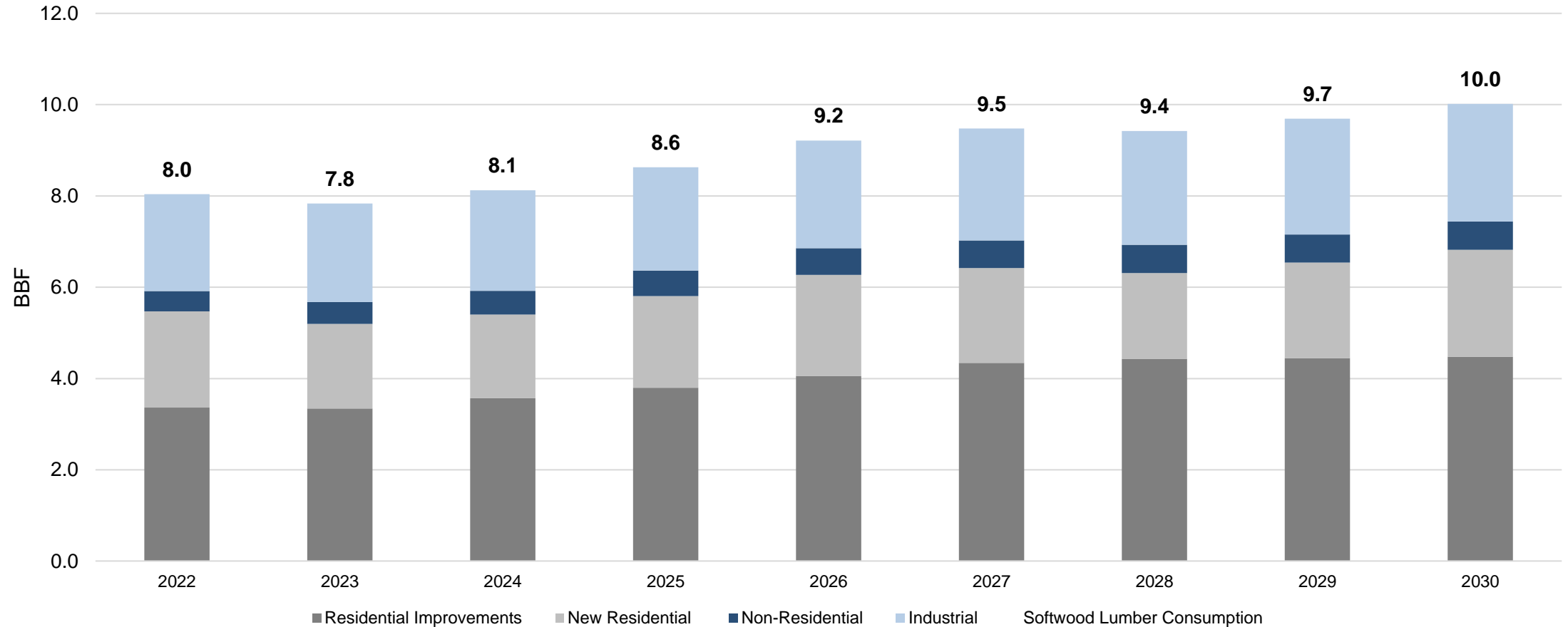
Downward pressures exist, principally driven by the impact of higher interest rates, rising inflation and global geopolitical unrest

Nonetheless, the Canadian homebuilding sector continues to outperform expectations.



Canada: Softwood Lumber Demand Outlook

Softwood Lumber Consumption by Segment



U.S. Demand Remains Key

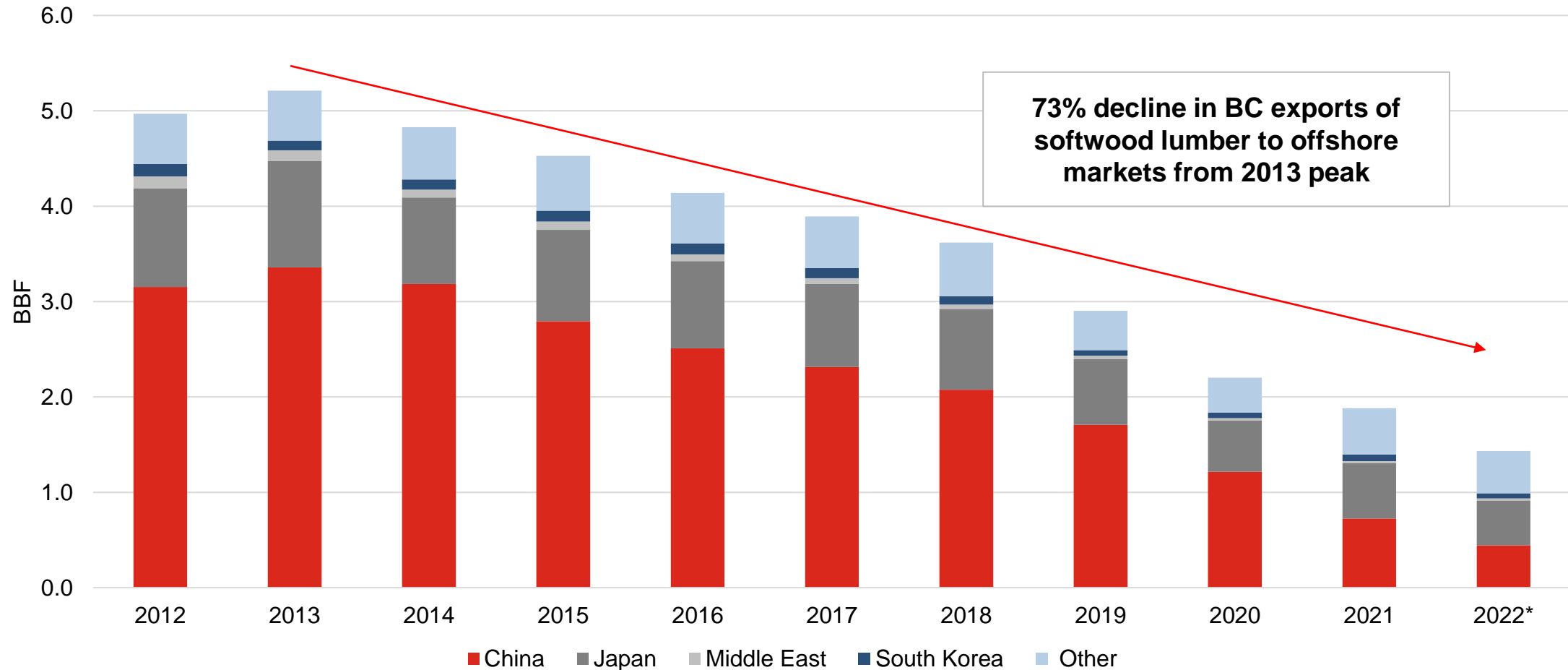
With 65 % of Canadian softwood lumber sales going to the U.S. (10% sold within in Canada and 6% to Japan), the importance of U.S. housing starts is undeniable.

Demand in repair and remodelling sector is expected to stay strong.

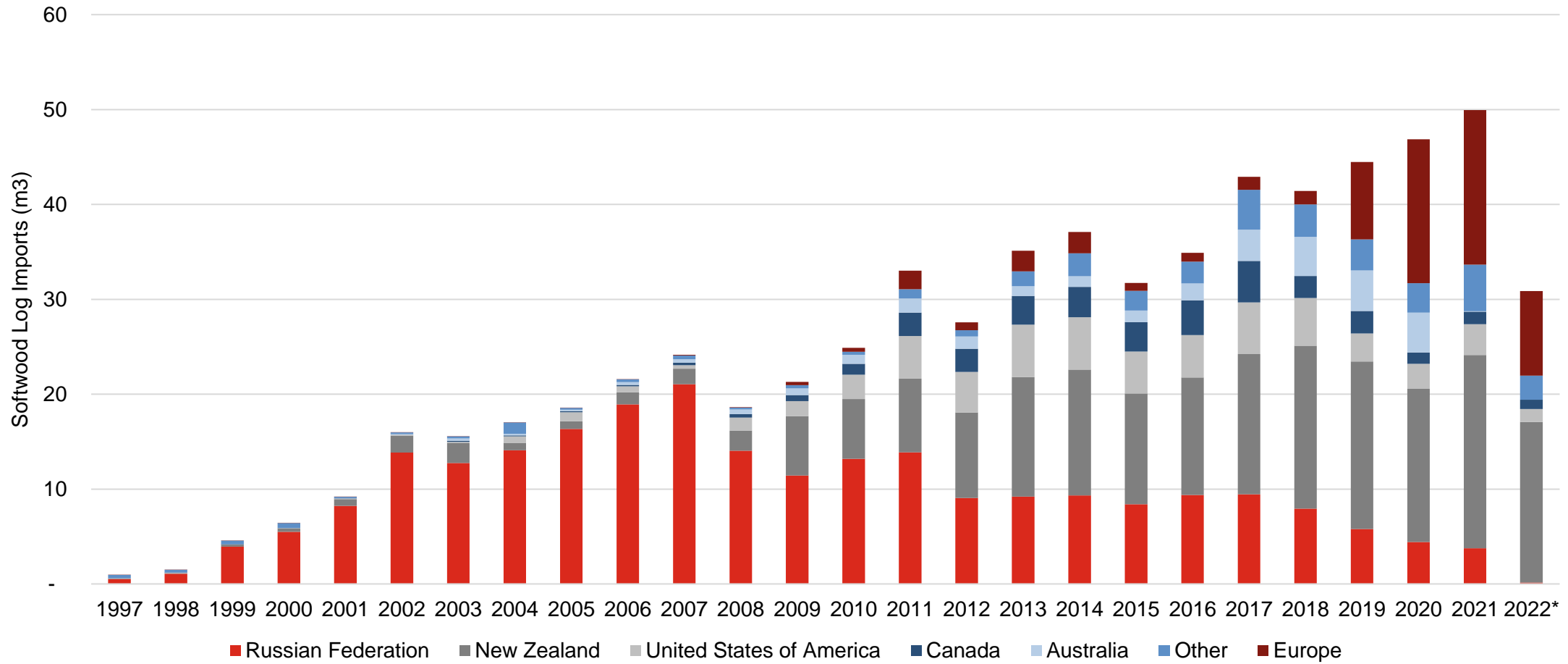


Shifting Trade Flows

BC shipments offshore decline over the last decade as volume shifts to US market



China Softwood Log Imports



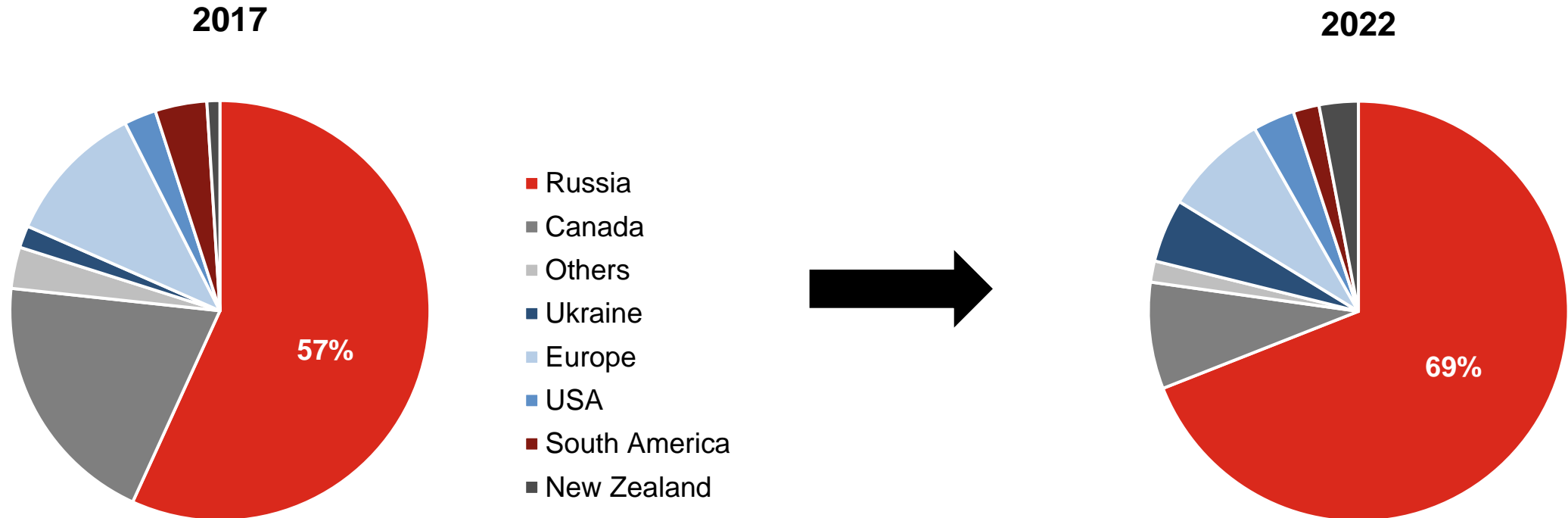
Source: National Bureau of Statistics of China

*Annualized



China Softwood Lumber Imports

Russia maintains significant share of softwood imports gaining share from Canada



Japan Increasing Self-Sufficiency

Policies aimed at developing Japan's plantation forest leading to gains in domestic supply.

Import demand will shift to mass timber products, such as CLT and glulam.



Bio-Innovation Pushing to Accelerate

Opportunity to lead via bio-product development and decarbonization technologies throughout the value chain

Arbios will use innovative, first-of-a-kind technology to convert low value biomass residues into high-value, sustainable carbon-based products, propelling the energy transition.



As we move to meet 2050 targets, Canada is realizing its potential to be a bioenergy & biomaterials powerhouse



Opportunities in the Materials Transition

Promising, high-growth bio composite opportunities throughout the building and construction value chain will enable us to maximize the value of our biogenic residuals, while helping existing customers meet increased demand for sustainable materials and greener building products.



Canada's Growing Mass Timber Ambitions

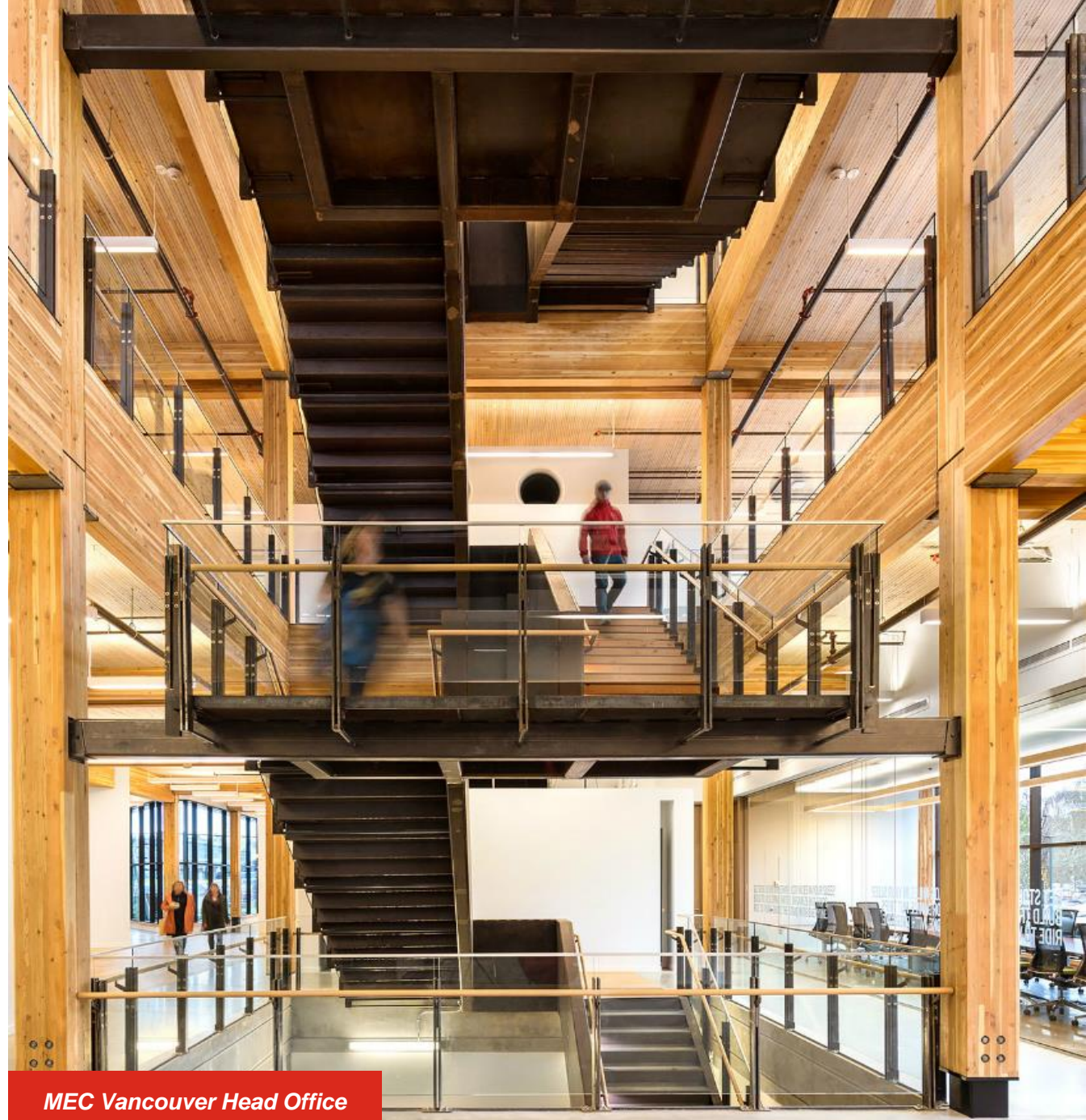
Incremental **~4.8 million m³** of North American demand by 2030, attributed to demand growth for cross-timber. By 2035, this grows to **~7.5 million m³**.

- Since 2007 mass timber projects have increased more than fivefold annually
- 2009 'Wood First' policies prompted exponential adoption
- 18-storey Brock Commons Tallwood House at UBC was world's tallest hybrid timber tower in 2017



Ever-taller, safer timber buildings

- British Columbia has more mass timber buildings per capita than anywhere in North America and leads Canada with more than 285 constructed (2020)
- Progressive national and provincial building codes allowing encapsulated structures up to 12 storeys, or 42 metres



Canada Earth Tower

Proposed **40-storey** wooden skyscraper in Vancouver is striving for Passive House certification and a zero-carbon standard, **could become the world's tallest hybrid mass timber building.**

- *Perkins & Will (architects)*





Thank you