

**ACADIAN TIMBER
SAMPLE ANALYTICS REPORT
By Oosman Sadiq (CPA, FRM and FCA)**

INTRODUCTION

Acadian Timber Corp. is one of the largest timberland owners in Eastern Canada and the Northeastern U.S. and has a total of approximately 2.4 million acres of land under management. Acadian owns and manages approximately 777,000 acres of freehold timberlands in New Brunswick, approximately 300,000 acres of freehold timberlands in Maine and provides timber services relating to approximately 1.3 million acres of Crown licensed timberlands in New Brunswick.

Acadian's products include softwood and hardwood sawlogs, pulpwood, and biomass by-products, sold to approximately 90 regional customers. Acadian also develops carbon credits for sale in voluntary carbon credit markets.

Acadian's business strategy is to maximize cash flows from its existing timberland assets through sustainable forest management and other land use activities while growing its business by acquiring assets and actively managing these assets to drive improved performance.

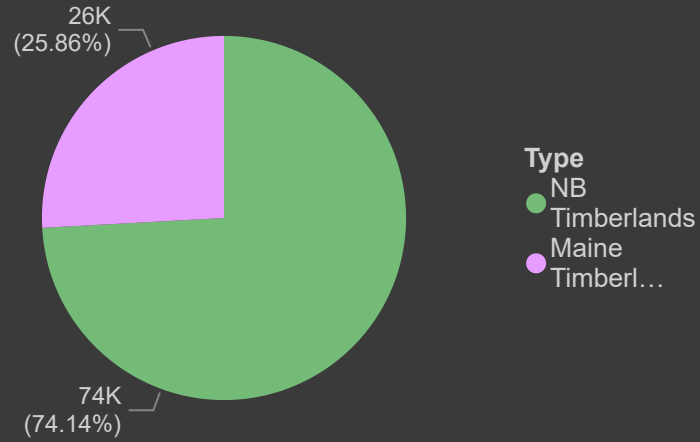
OVERVIEW OF THE REPORT

The purpose of this report is to present a visual analysis of Acadian's performance over the last 5 years based on:

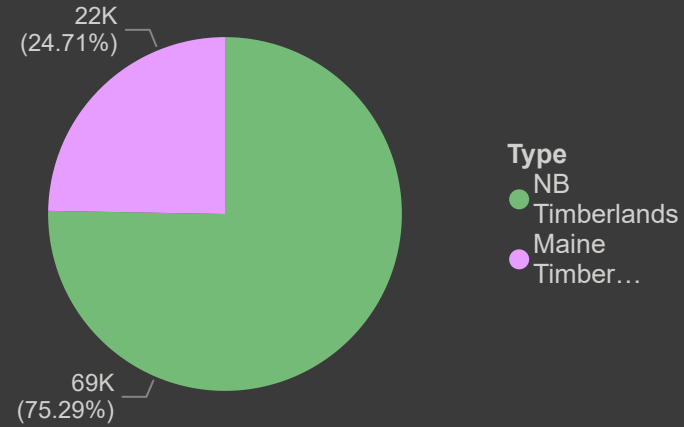
- Revenue Analysis
- Cost of Sale analysis
- Profitability ratios
- Liquidity Ratios
- Return measures
- Cash Flow measures
- Market performance of the shares

REVENUE ANALYSIS BY

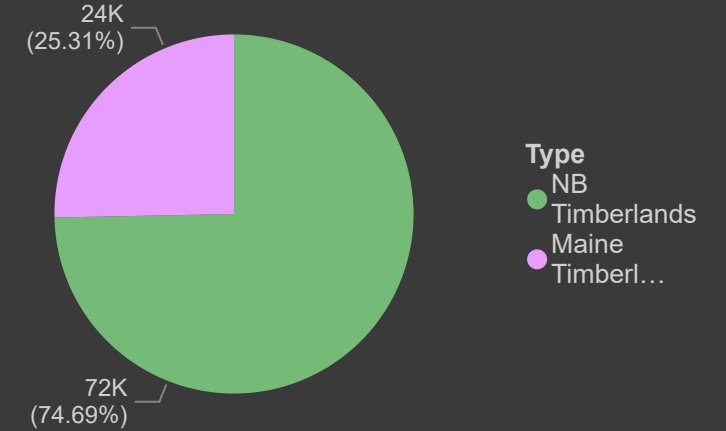
Proportion of Total Sales FY 2019



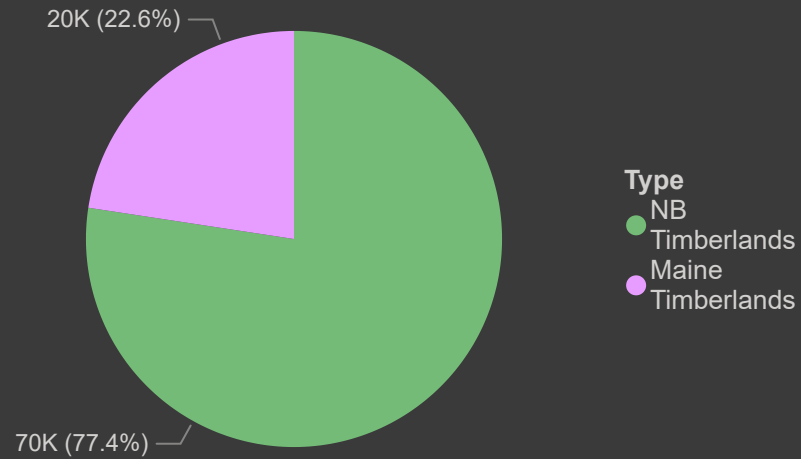
Proportion of Total Sales FY 2020



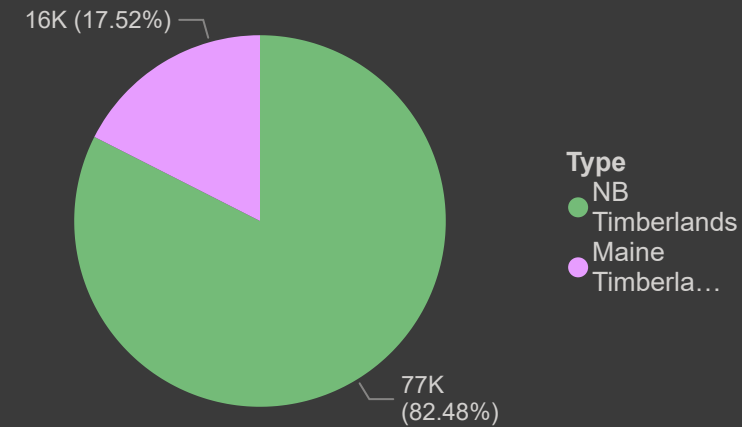
Proportion of Total Sales FY 2021



Proportion of Total Sales FY 2022

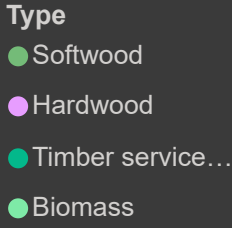
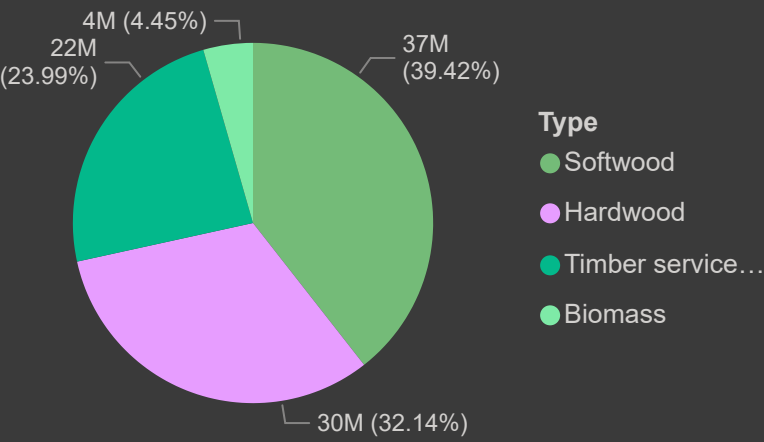


Proportion of Total Sales FY 2023

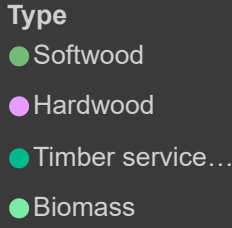
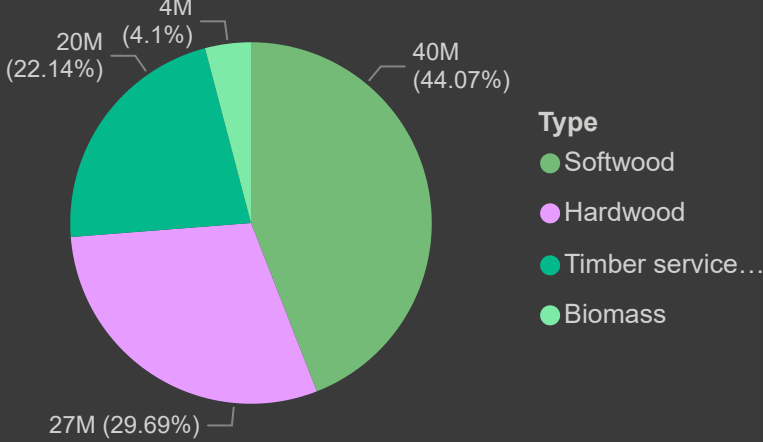


TOTAL CATEGORY WISE REVENUE ANALYSIS

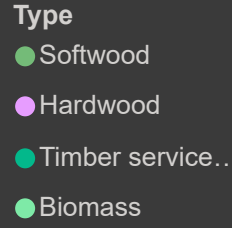
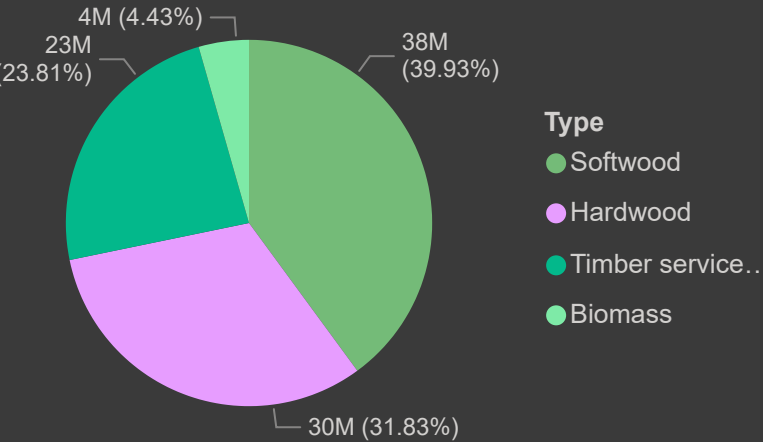
FY 2023 - Category Wise Revenue



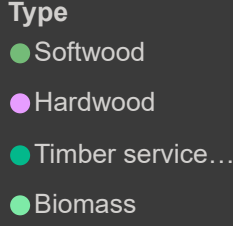
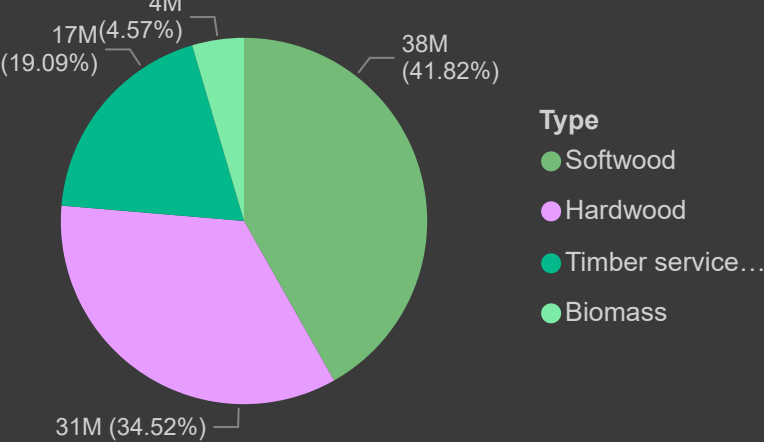
FY 2022 - Category Wise Revenue



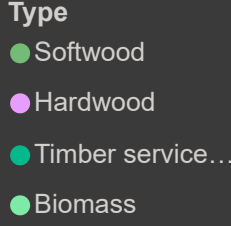
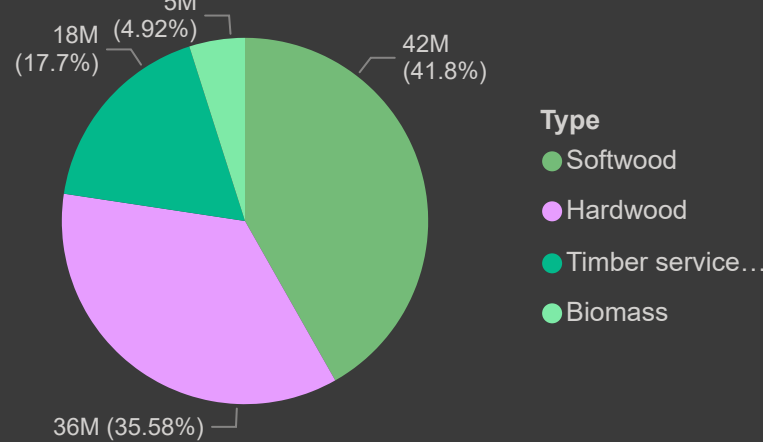
FY 2021 - Category Wise Revenue



FY 2020 - Category Wise Revenue



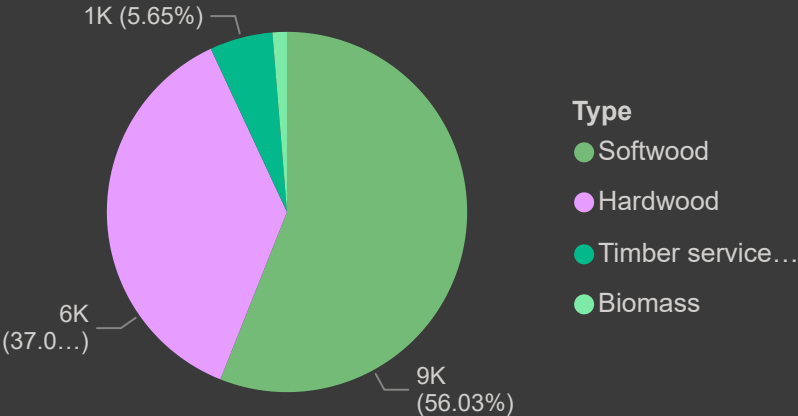
FY 2020 - Category Wise Revenue



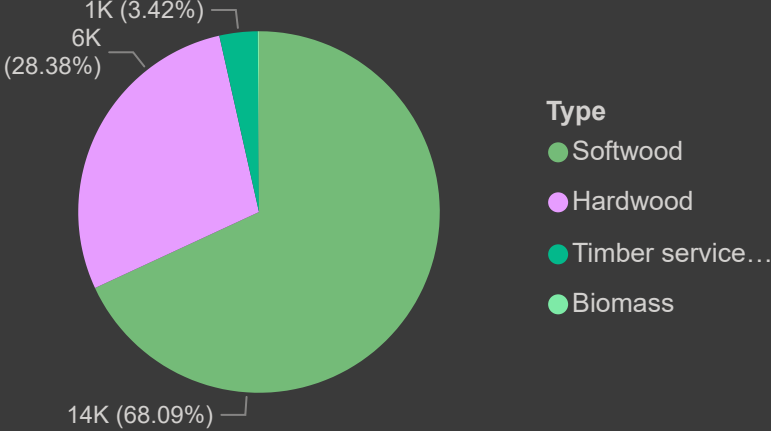
TOTAL CATEGORY WISE REVENUE ANALYSIS - MAINE



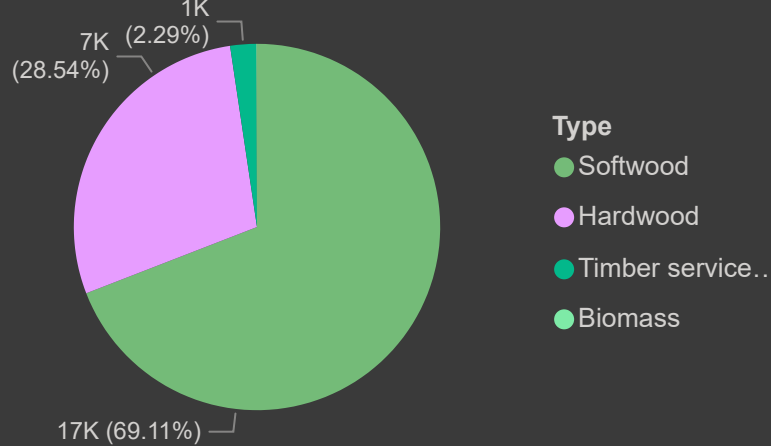
FY 2023 - Category Wise Revenue



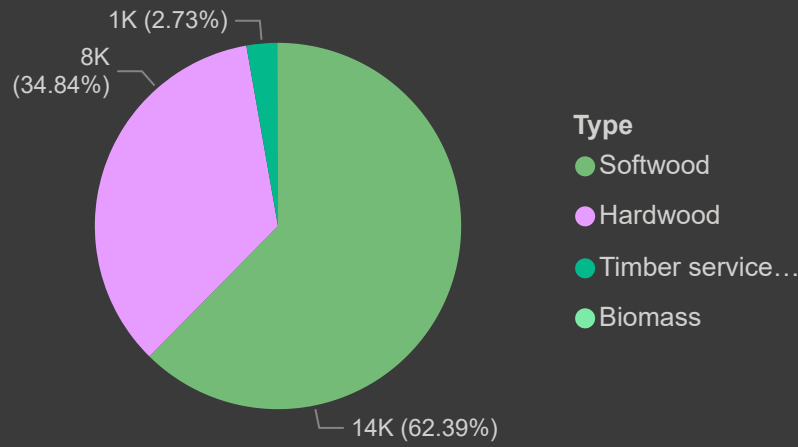
FY 2022 - Category Wise Revenue



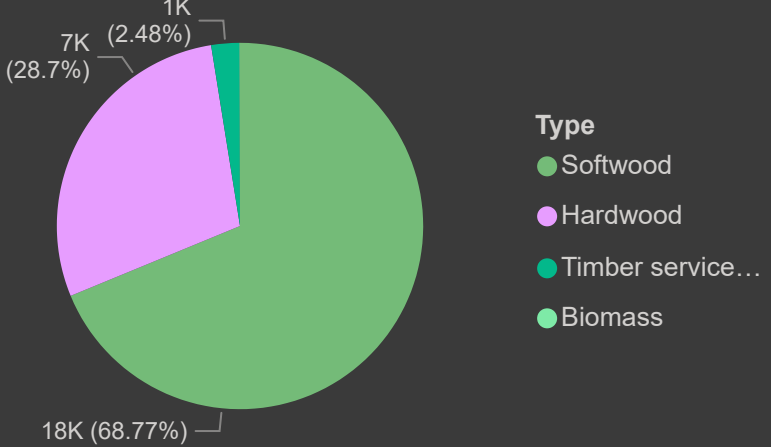
FY 2021 - Category Wise Revenue



FY 2020 - Category Wise Revenue

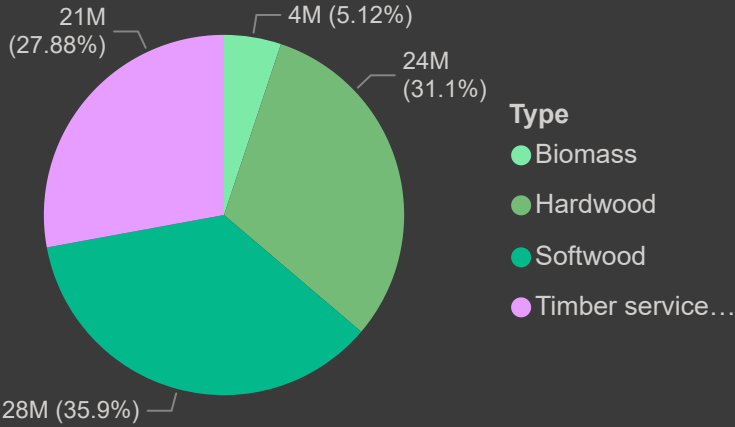


FY 2019 - Category Wise Revenue

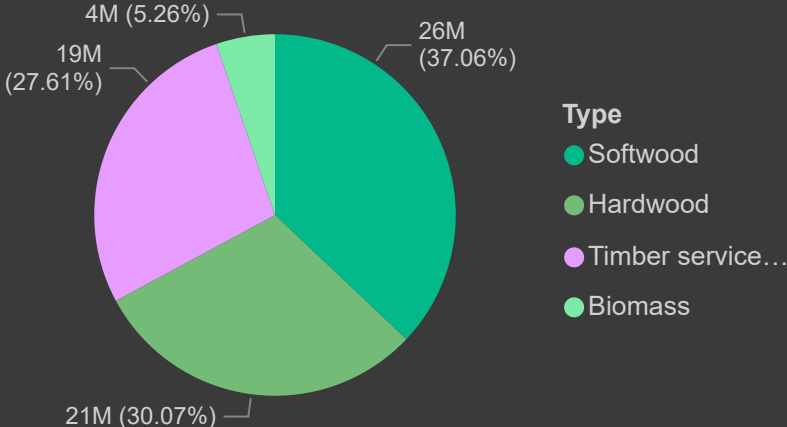


TOTAL CATEGORY WISE REVENUE ANALYSIS - NB

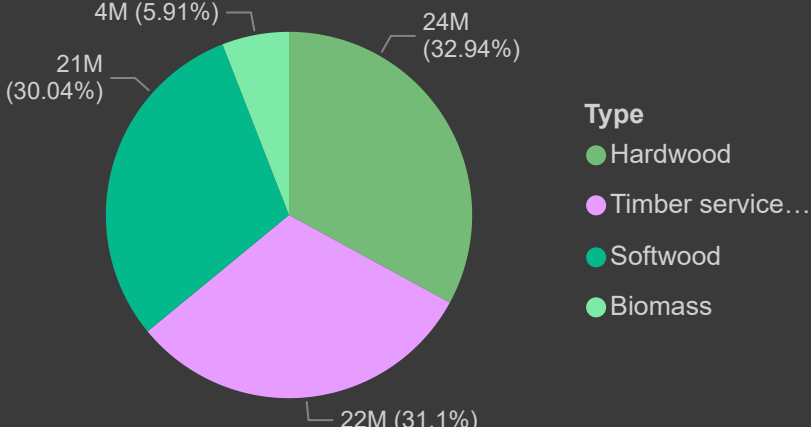
FY 2023 - Category Wise Revenue



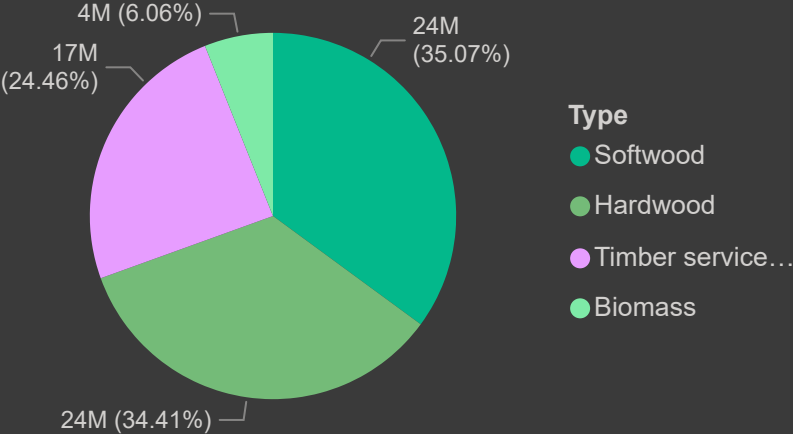
FY 2022 - Category Wise Revenue



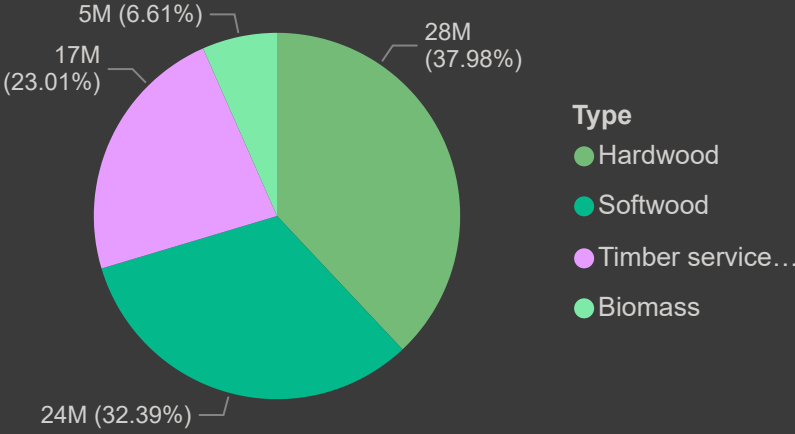
FY 2021 - Category Wise Revenue



FY 2020 - Category Wise Revenue

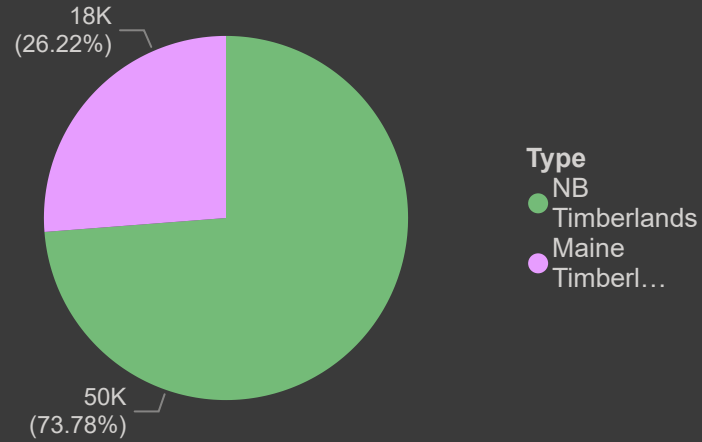


FY 2019 - Category Wise Revenue

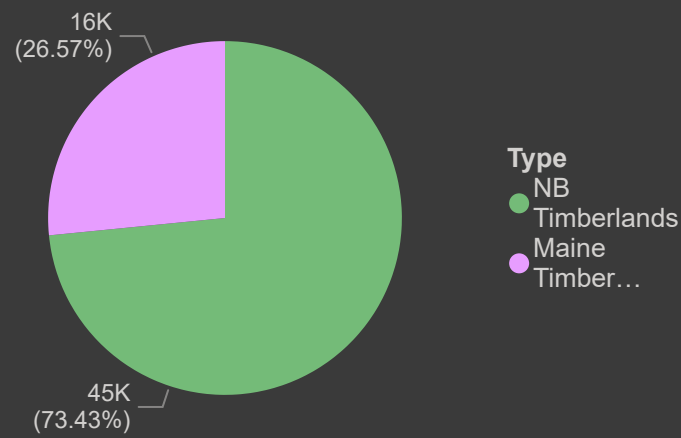


COGS ANALYSIS BY LOCATION

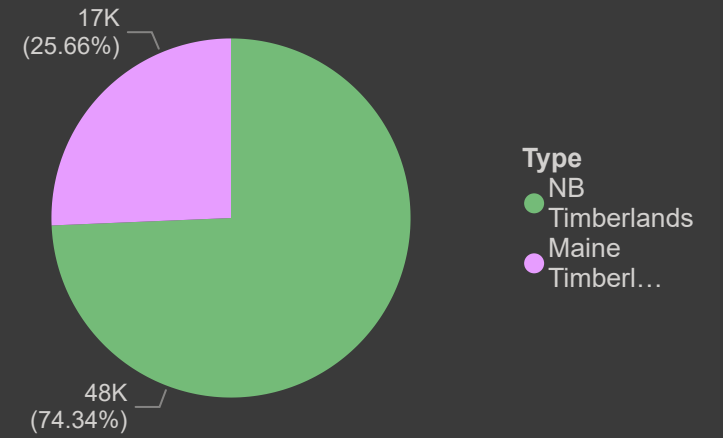
Proportion of Total Cost of Sales FY 2019



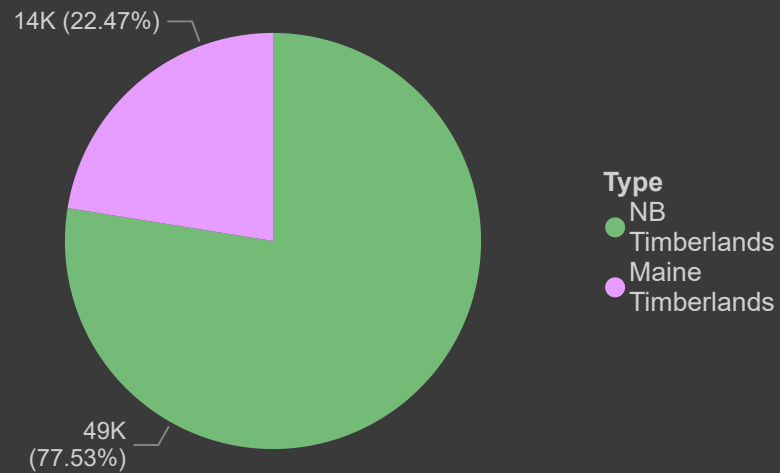
Proportion of Total Cost of Sales FY 2020



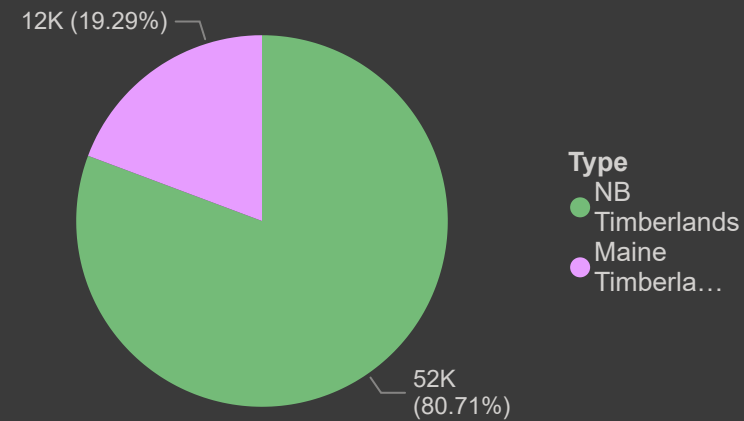
Proportion of Total Cost of Sales FY 2021



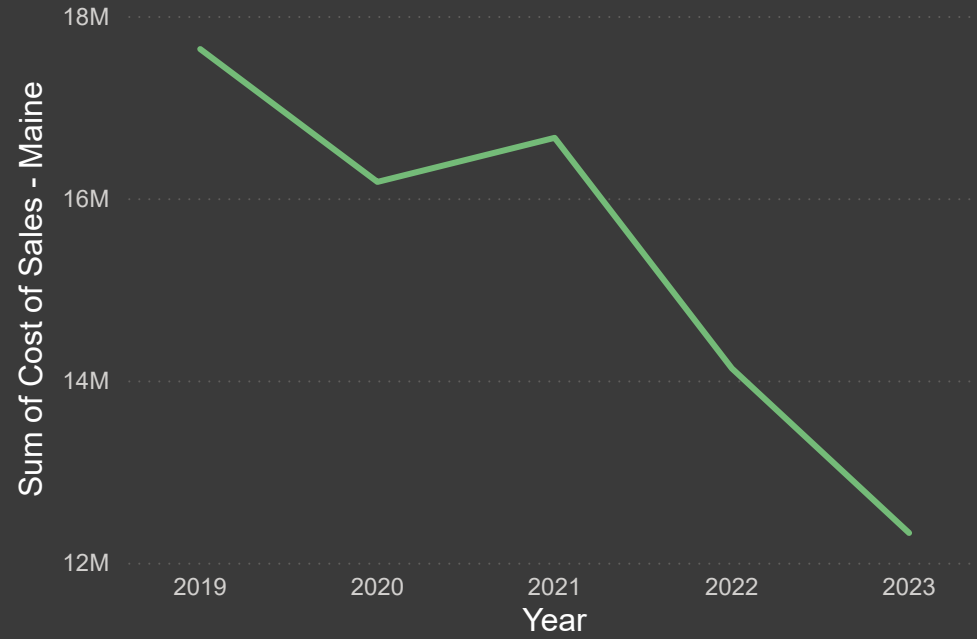
Proportion of Total Cost of Sales FY 2022



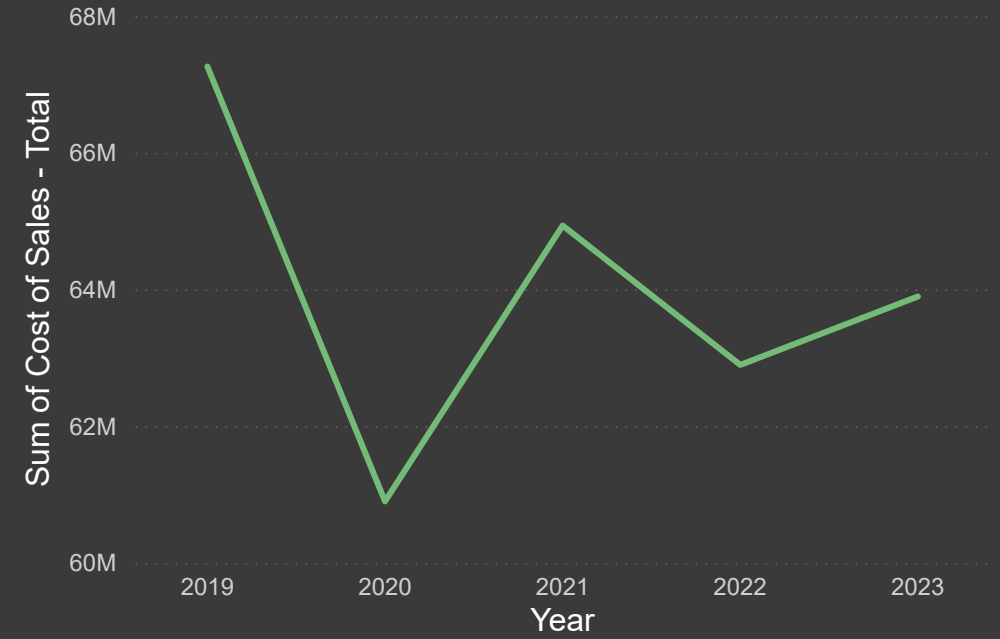
Proportion of Total Cost of Sales FY 2023



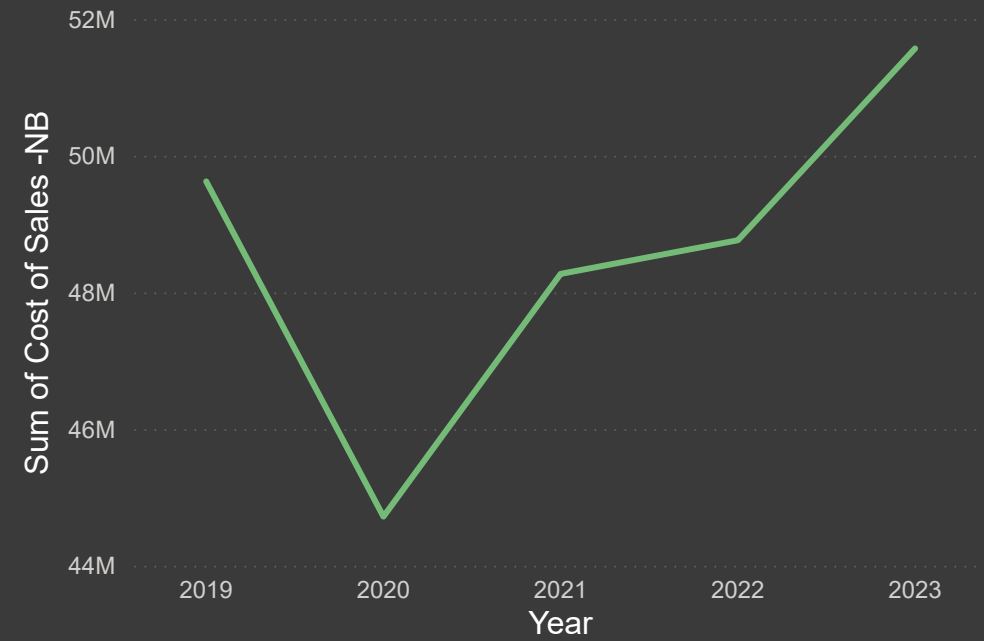
Cost of Sales - Maine by Year

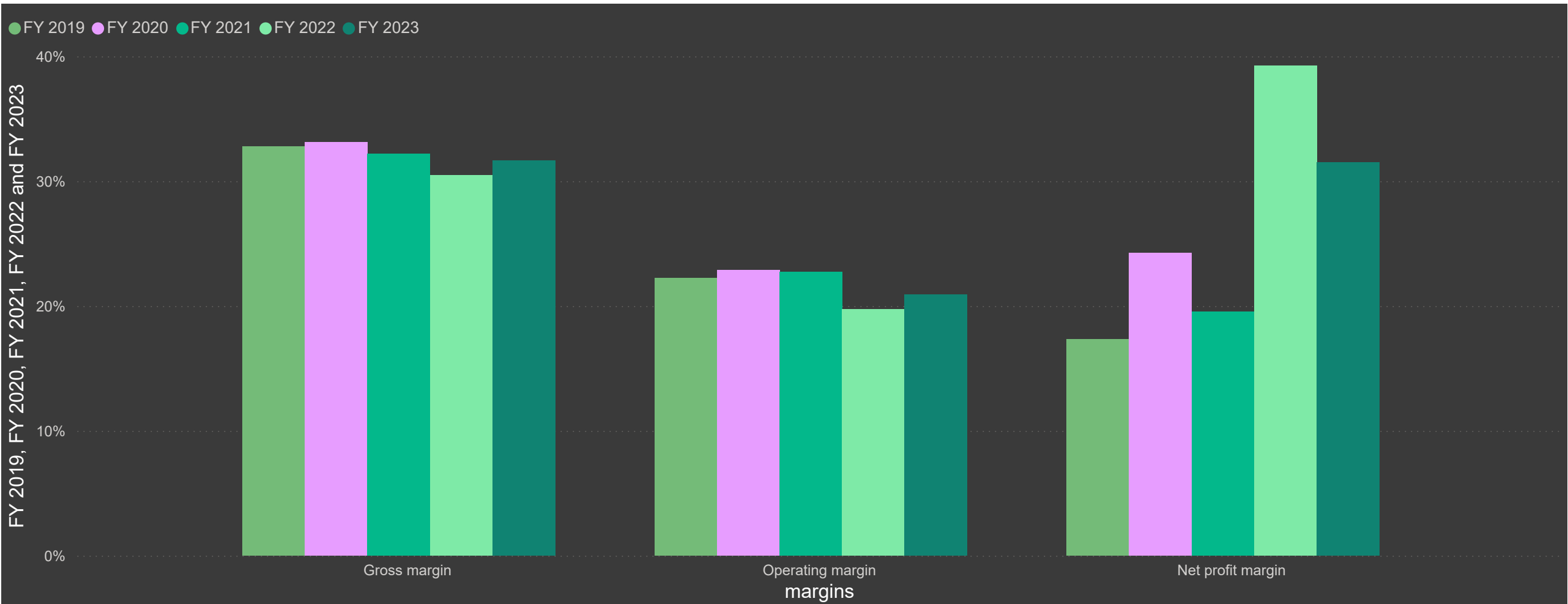


Cost of Sales - Total



Cost of Sales - NB





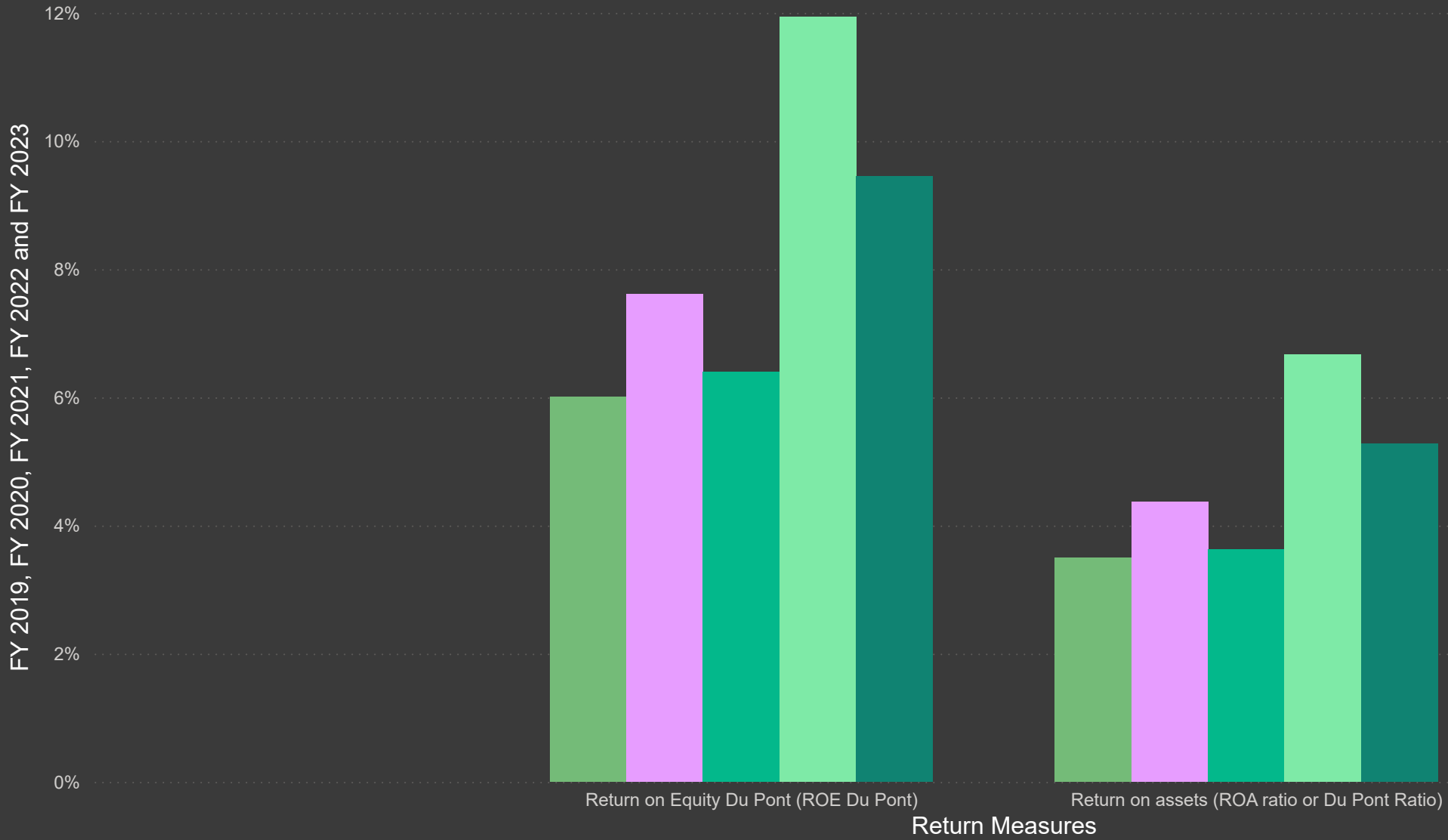
Net Margin

The net margin has declined compared to the previous year. However, there is an improvement over the last 5 years. The overall performance looks healthy.

Gross Margin and Operating Margins

There is a similar trend in gross and operating margins. The gross and operating margins have improved compared to last year. However, in comparison to FY2019-2021, the respective margins have declined. Steps can be taken to enhance this in the future.

FY 2019 FY 2020 FY 2021 FY 2022 FY 2023

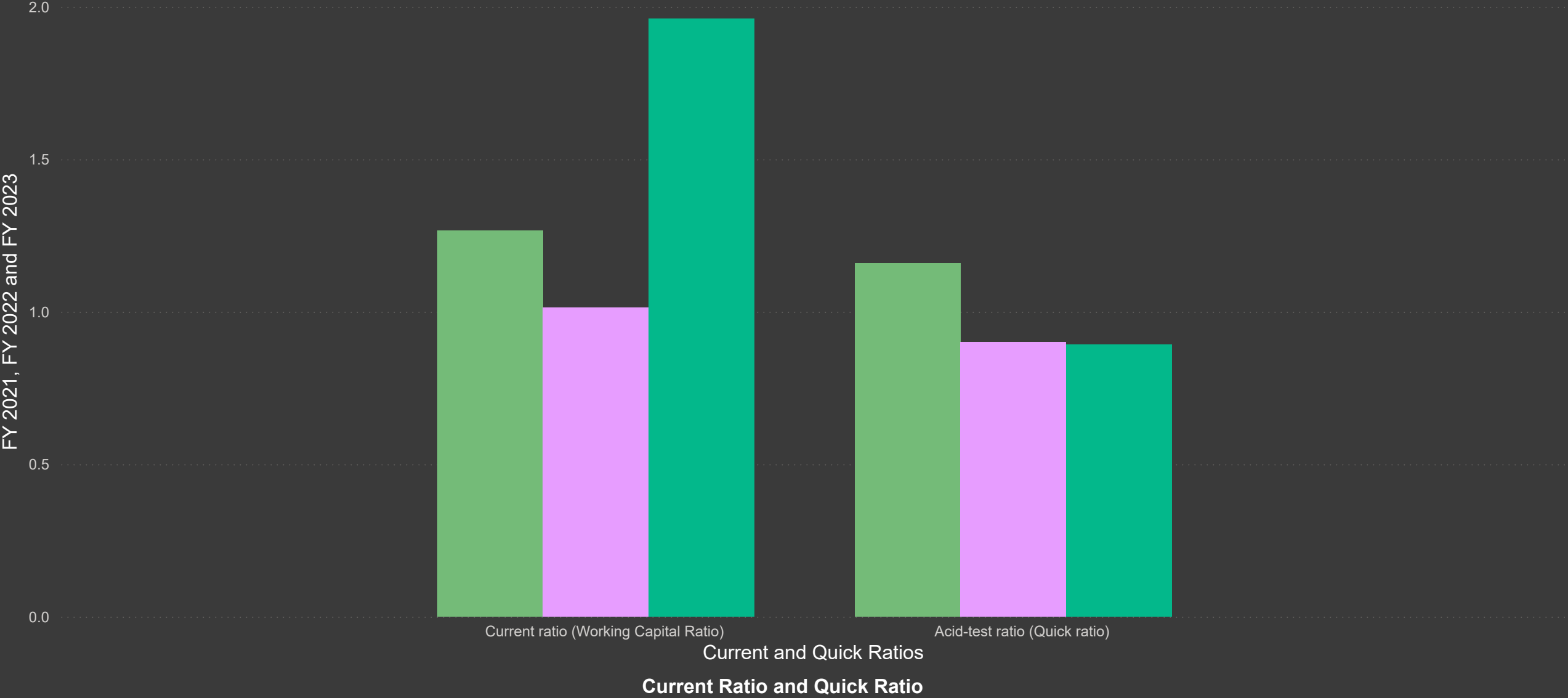


Return on Equity, and Return on Assets

As evidenced by the above graphs. Returns on the assets and equity improved drastically in FY 2022 but have declined in FY 2023. However, compared to FY 2019 to FY 2022, the performance in FY 2023 is still much better. Thus, further improvements can be made to achieve a higher return on the equity and the assets employed.

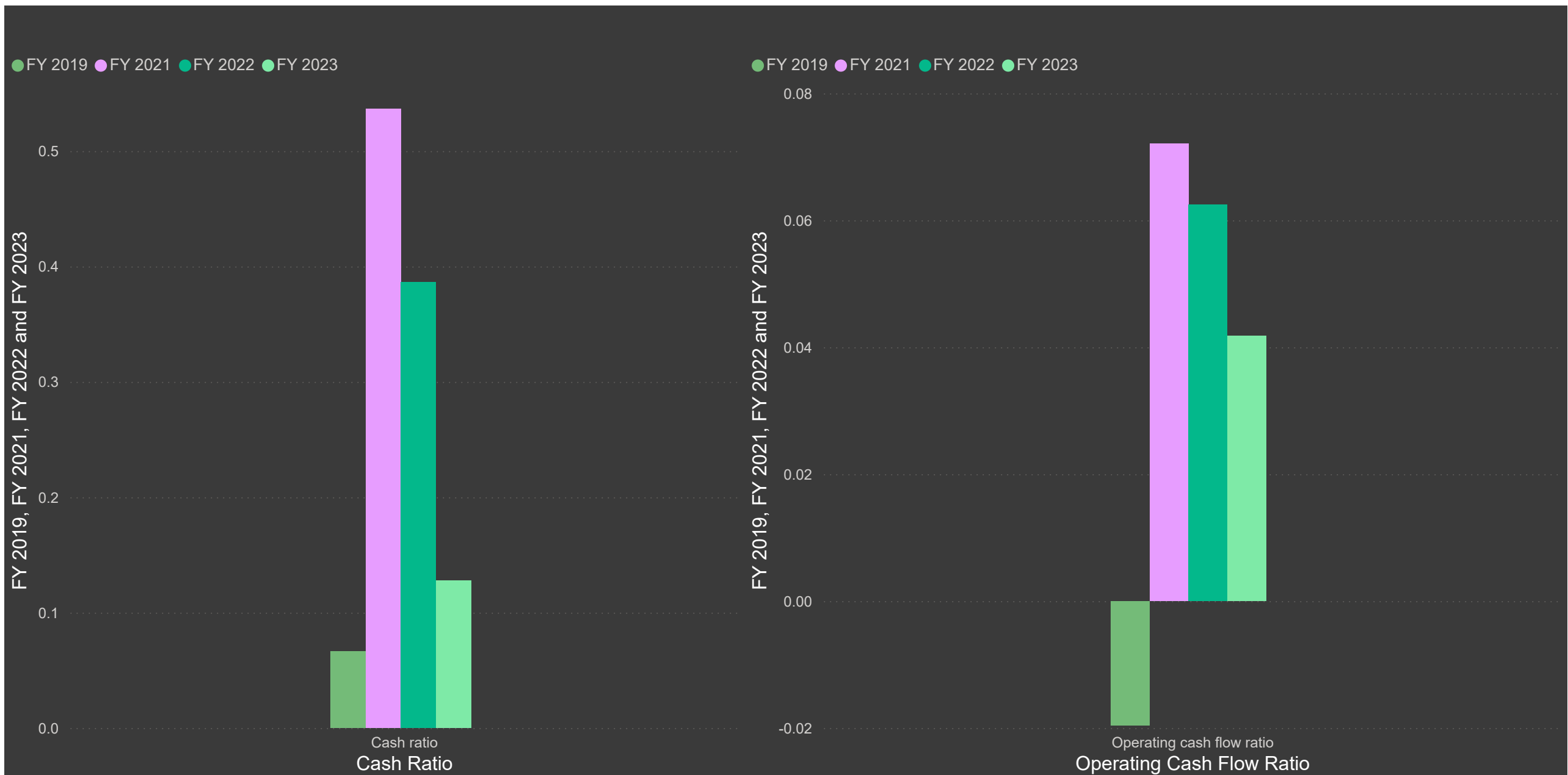
FY 2021, FY 2022 and FY 2023 by Current and Quick Ratios

FY 2021 FY 2022 FY 2023



The liquidity picture of the company shows to have a decline, except for the spike in 2023 due to inventory.

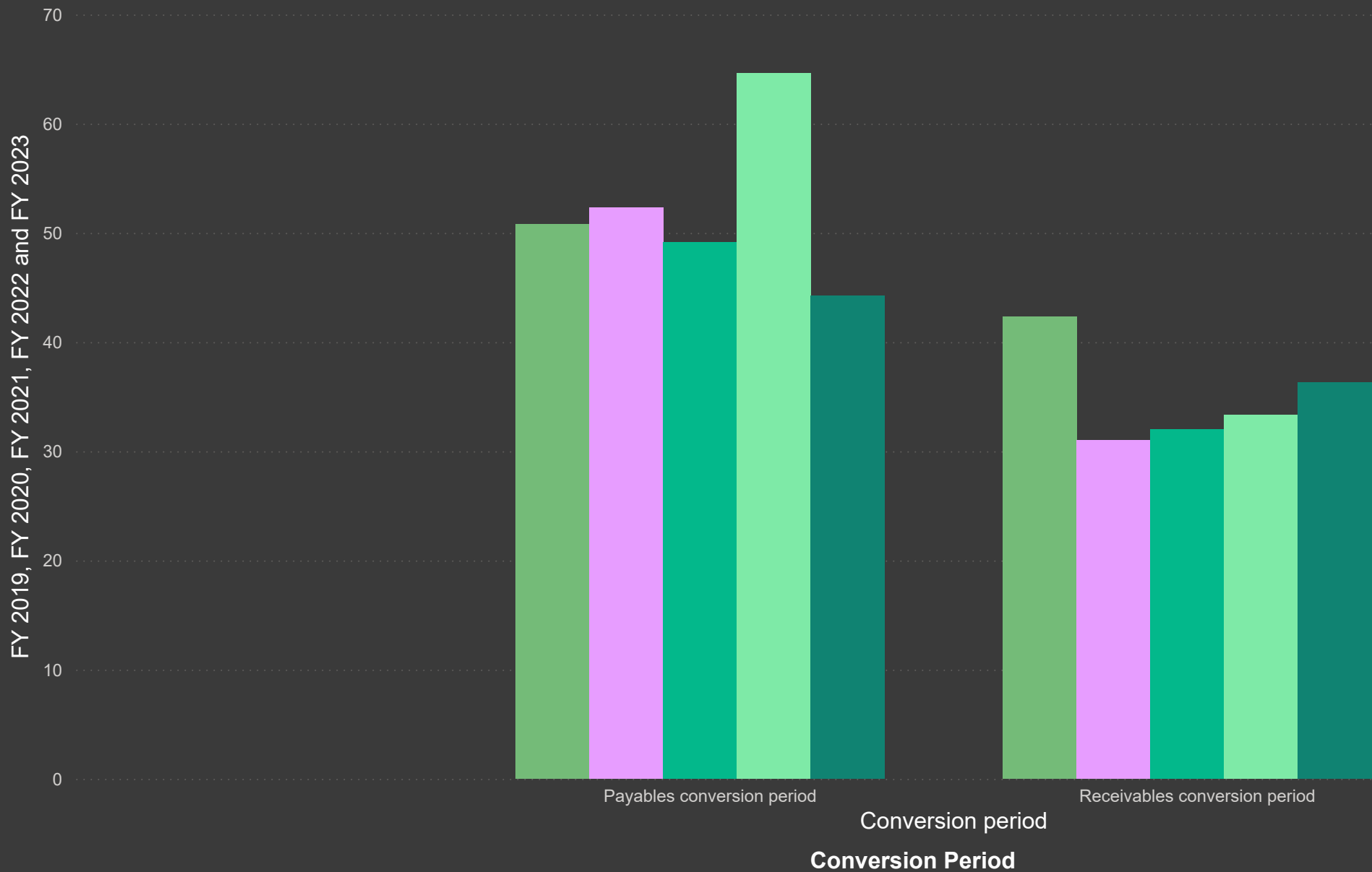
However, the quick ratio shows that there is considerable room for improvement in the liquidity aspect of Acadian Timber.



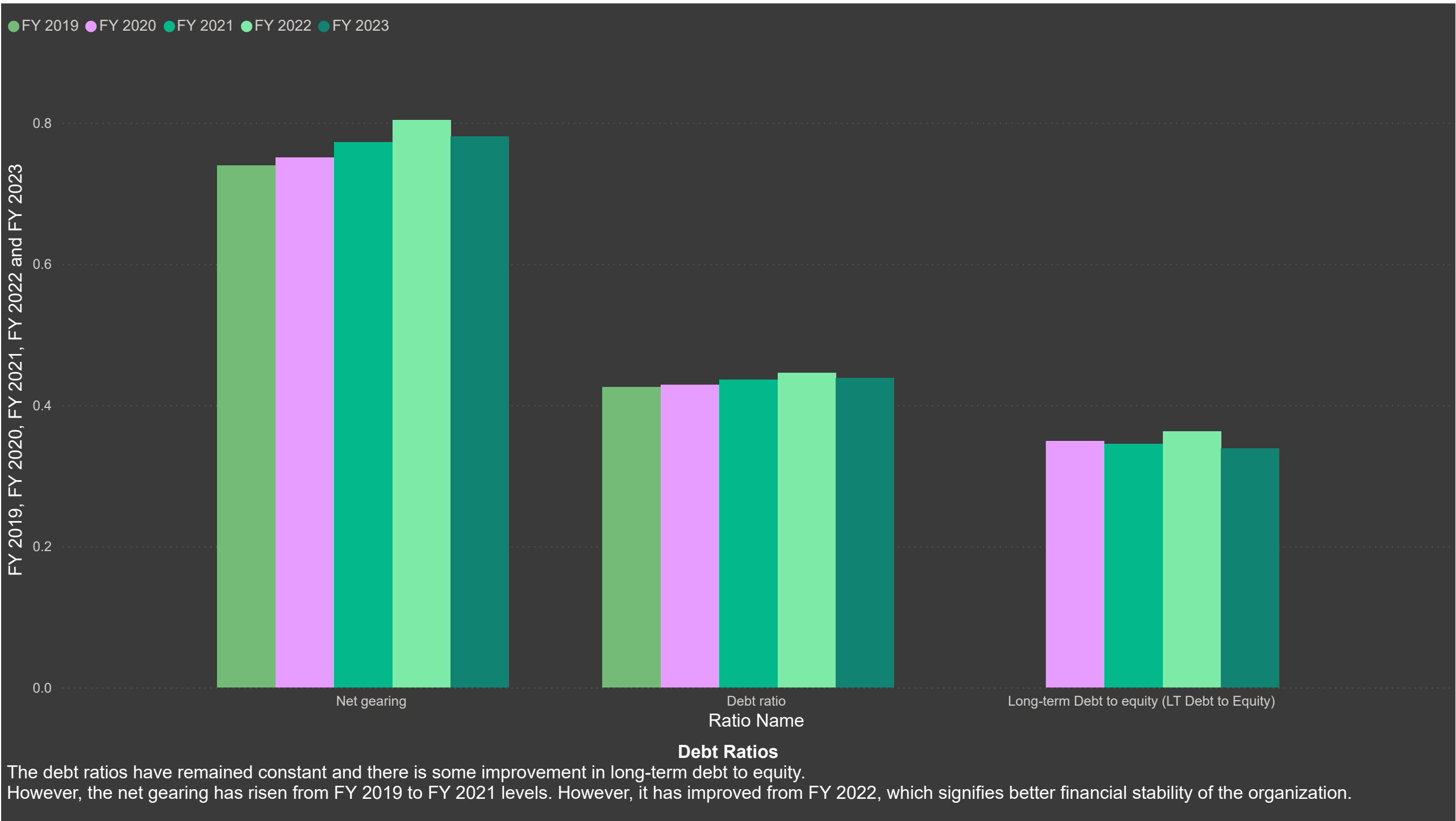
Cash Flow and Operating Cash Flow Ratios

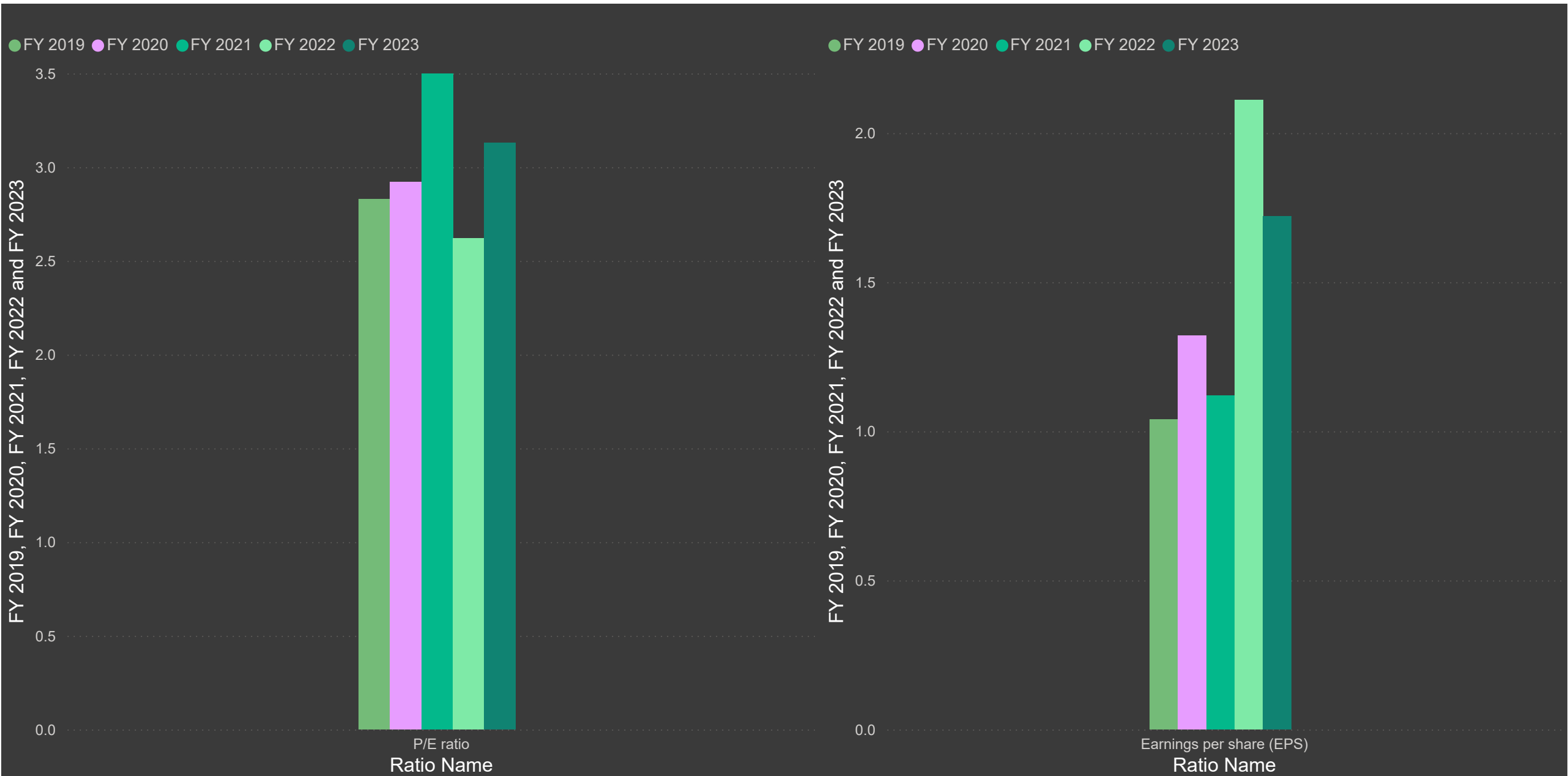
- The cash ratio position has declined progressively from FY 2020 to FY 2023.
- The operating cash flow ratio has also declined. This is a liquidity problem which should be evaluated and improved in the future.

FY 2019 FY 2020 FY 2021 FY 2022 FY 2023



• The payables conversion period has declined indicating that the credit period utilization is declining.
• Moreover, the receivable period has steadily increased, which further indicates that cash is being tied up.
The above indicates a liquidity issue and the days can be changed to optimize the liquidity management.





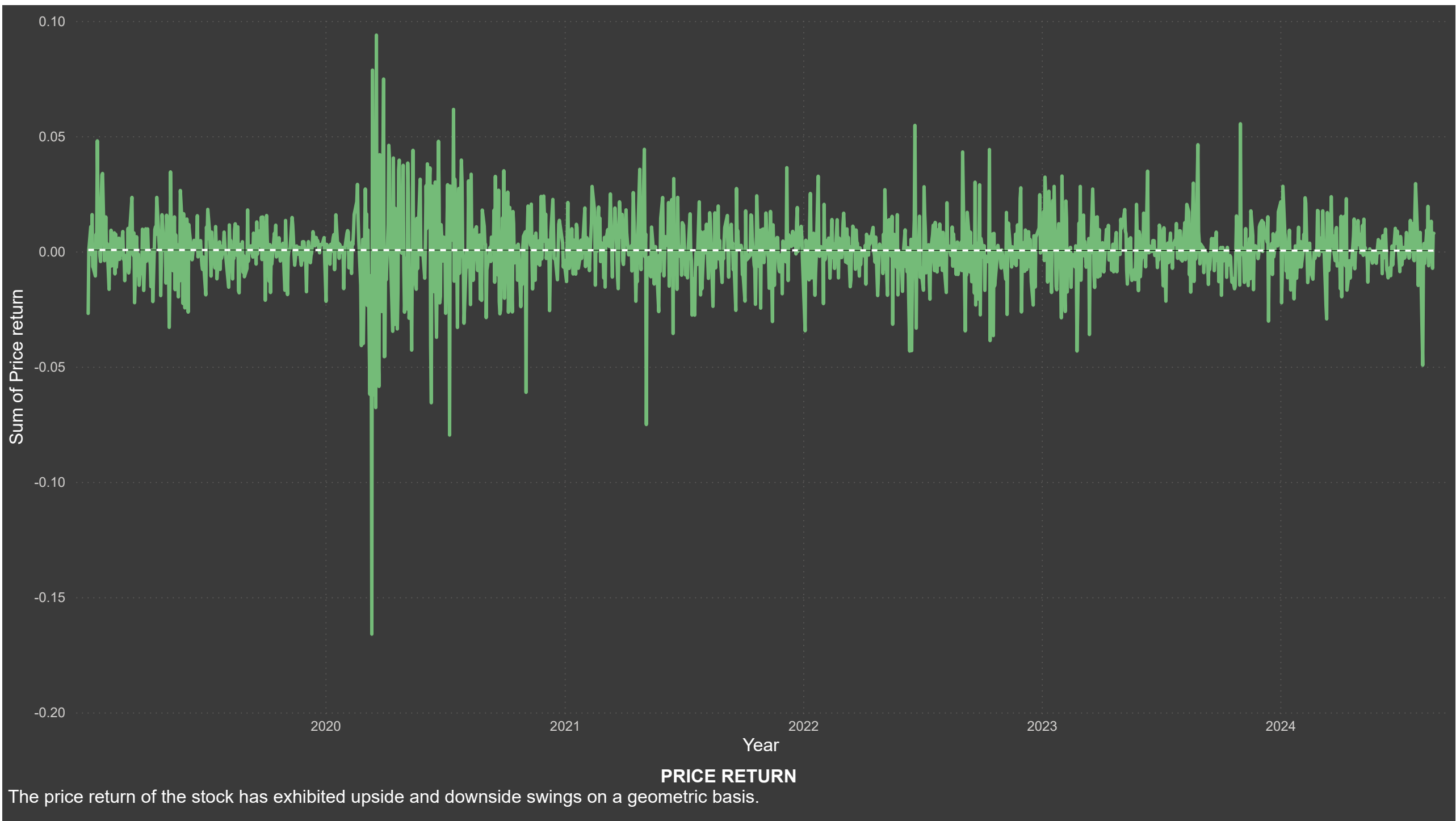
P/E Ratio and EPS Performance

- P/E multiples have improved since last year, indicating that compared to last year the market price impact is higher. This is also attributable to lower EPS.
- Earnings per share have declined from FY 2022, although there is an improvement in from FY 2019 to FY 2022.



MARKET PRICE ANALYSIS

The adjusted closing price shows a healthy upward trend indicating higher market values attributed from FY 2019 to Aug 2024.



Sum of Volume

140K
120K
100K
80K
60K
40K
20K
0K

2020

2021

2022

2023

2024

Year

STOCK VOLUME ANALYSIS

The stock volume has also fluctuated with volumes peaking in some time as shown above.

