



## ALERT: 1 Excellent Value Stock to Own

### Description

**Canfor** ([TSX:CFP](#)) is a leading Canadian [integrated forest products](#) company based in Vancouver, British Columbia. The company is involved primarily in the lumber business, with production facilities in Canada, the United States, and Sweden. Canfor employs approximately 7,000 people.

### Significant production capacity

Canfor's softwood lumber production facilities located in Western Canada, the southern United States, and Sweden have a [total annual production capacity](#) of approximately 6.9 billion board feet of lumber, including 100% of the capacity from Vida. Canfor's products also include remanufactured and finger-jointed lumber, engineered wood products, wood chips, wood pellets, logs, and custom specialty products stemming from the acquisition of Vida, including strength-rated trusses and beams.

Canfor holds approximately 11.7 million cubic metres of annual harvesting rights under the company's forest tenures and pulpwood agreements in Canada. Canfor maintains wood products sales offices in Canada, the U.S., Japan, China, Sweden, the United Kingdom, Denmark, the Netherlands, and Australia. While a significant proportion of Canfor's product is sold to markets in the U.S., shipments into Europe have increased following the acquisitions. The company has sales offices in Canada, Japan, China, and South Korea and is represented by sales representatives serving various other markets around the world.

### Robust business strategy

One of Canfor's primary objectives is to be the leading global supplier of sustainable wood products. Canfor is focused on increasing the company's building products business in global markets and on making higher value structural lumber and specialized products for specific customer needs. Canfor's overall business strategy is to be a leader in the forest products industry and to achieve top-quartile margin performance.

The company achieves this by attaining world-class safety performance, expanding geographical

markets, increasing market share of value-added products and building strong long-term partnerships with valued customers. Canfor produces high-value products and maximizes the value from the company's available fibre sources.

## Excellent customer service

Canfor attains world-class supply chain performance and provides excellence in customer service. The company has achieved and maintained a low-cost structure that supports sustainable forest practices, optimizes fibre utilization, and enhances green energy production. Further, it contributes to the climate change solution by supporting thriving forests that absorb carbon, producing a wide range of innovative high-value carbon-rich sustainable products.

The company has focused on maintaining a strong financial position and growing an enterprise-wide culture of innovation, diversity and engagement by attracting, retaining and developing employees. Canfor has focused on an efficient allocation of capital and deployment of resources to sustain top-quartile operational performance. The company has capitalized on attractive growth opportunities and expanded into complementary businesses and product lines.

## Intelligent capital allocation

The company has done an excellent job in optimizing the value from Canfor's high-quality premium reinforced pulp and paper products, particularly in specialty end use applications. Canfor has diversified into the bioeconomy sector and made capital investments of approximately \$596 million at the company's lumber operations and \$297 million at the company's pulp and paper operations for a total of \$893 million.

Overall, there is significant capital appreciation potential from investing in Canfor stock, especially for long-term shareholders.

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