

MCGILL STLAURENT

FIA CONSULTING GROUP

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SUMMARY

Key Issue

Recommendation

Analysis

Alternatives

Strategy

Implementation

Financial analysis

Risk and mitigations

Final considerations

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KEY ISSUE

What is the best sustainable strategy to achieve the 2020 goal?

17 Mi
EBITDA

52 Mi
Gross Profit

The next generation of trading companies

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RECOMMENDATION

Keep investment in current businesses and
enter in the water distribution market

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CURRENT SITUATION

- Commodities trading company
- Around 110 employees
- Sales of \$188 mi
- 3 business units – Wood, Energy and Grains
- Mainly NA, but also present in over 30 countries
- Entrepreneurial mindset
- Afraid of Status Quo
- Our People is our product
- Agile to act, we fail and we learn
- Risk management culture

SUSTAINABLY BUILD, FEED AND POWER THE PLANET

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BUSINESS UNITS

	Canadian Wood Products	CWP Energy	Grain St Laurent
What?	Wood trading	Energy trading	Grain trading
Where?	Mainly from Canada to the world (+30 countries)	North America in deregulated markets	North America
To Whom?	Industrial companies Retailers International importers Architectural firms DIY (B2C)	Industrial companies	Farms Feed mills Ethanol Large international firms
KPI for Success	Quality relationship Reliable Logistics Versatility of providing solutions to end	Portfolio diversification Best of class risk management Ability to adapt Ability to recruit	Quality relationships Making the right market decisions Highly reliable logistics providers to offer on time delivery

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EXTERNAL ENVIRONMENT

OPPORTUNITIES

THREATS

	OPPORTUNITIES		THREATS	
COMMODITIES	Strong Economy in the US	Canada availability of natural resources	Low barriers to entry	High Competition
WOOD	Demand for Wood products in North America	FSC Certification from Canada Suppliers		Direct purchases from sawmills
GRAIN		Demand for Grain is at a steady growth		Power of competitors

Key Issue

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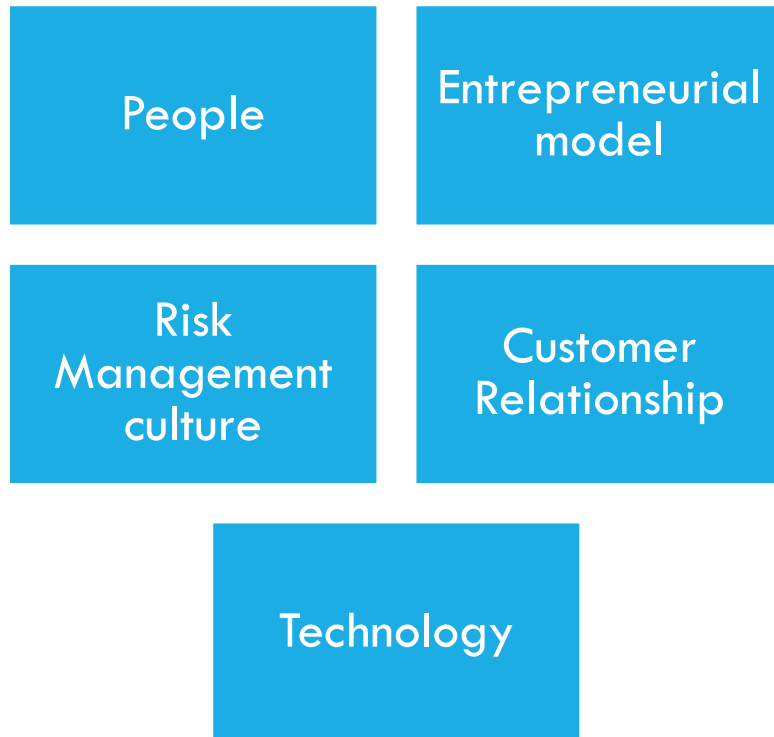
Implementation

Financial

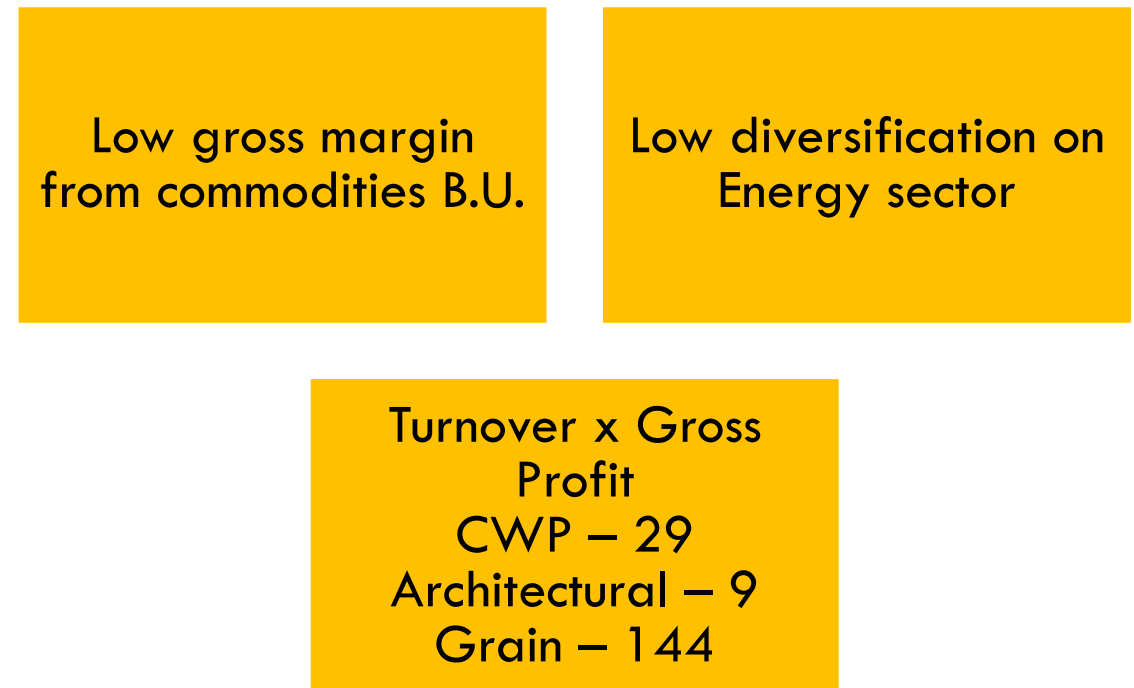
Risk

INTERNAL ENVIRONMENT

STRENGTHS



WEAKNESSES



Key Issue

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SEARCH FOR NEW OPPORTUNITIES

	PROS	CONS
Water distribution	Canada rich in water Expertise in distribution and trading Essential to Build, Feed and Power the planet World is running out of clean water	High cost of transportation
Composite Materials	Wood of the future High added value	Big industries have high investment in R&D

Key Issue

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ALTERNATIVES

Market growth potential

Competitive advantages

**Develop
Composite
Materials**

IPOs

**Divest
businesses**

**Go
international**

**Develop
Water
Distribution**

Key Issue

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STRATEGY

GRAIN

- Keep the current double in 2 years plan
- Look for non-GMO new suppliers
- Monitor population growing clusters
- Use AI developed in energy to improve grain trading processes
- Partner with Weather Analysis Startup to better predict offer and demand

ENERGY

- Organically grow current 5% CAGR per year
- Invest in AI to improve transaction efficiency

STRATEGY

WOOD AND ARCHITECTURE

- Double in 2 years
- Invest in data analysis to better understand consumer behaviour
- With this data, develop and launch new products
- Reinforce international presence

- Use data to create the marketing plan
- Invest Architecture profits in its own marketing plan

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STRATEGY

WATER DISTRIBUTION

- Water will generate \$9.3 mi profit in 2021
- Partner with local distribution companies
- Distribute water in markets already active with wood
- Use the partnership with the Weather Analysis Startup to help in predict demand

INTERNATIONAL STRATEGY

WOOD AND WATER

Search for countries with
**Cultural, Administrative,
Governmental and
Economical similarities**

Look for countries with
water difficulties

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IMPLEMENTATION PLAN

	2018				2019				2020				Investment
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Improve Sales Team Structure	█												100.00
Market Plan for Architecture		█	█	█			█	█	█				1,200.00
Prospect New Markets (Water D)	█	█	█										1,000.00
Hire Data Analysis Agency	█												80.00
Rolling Forecast			█			█		█		█		█	-
Build partners network (water)	█	█	█										500.00
Hire PR Agency for Advocacy		█	█										100.00
Global Suppliers Meeting					█				█				1,000.00
New Projects Launch (2025 Strategy)										█			
Investment Rollout	680.00	750.00	750.00	200.00	500.00		200.00	200.00	700.00				3,980.00
	2,380.00				900.00				700.00				

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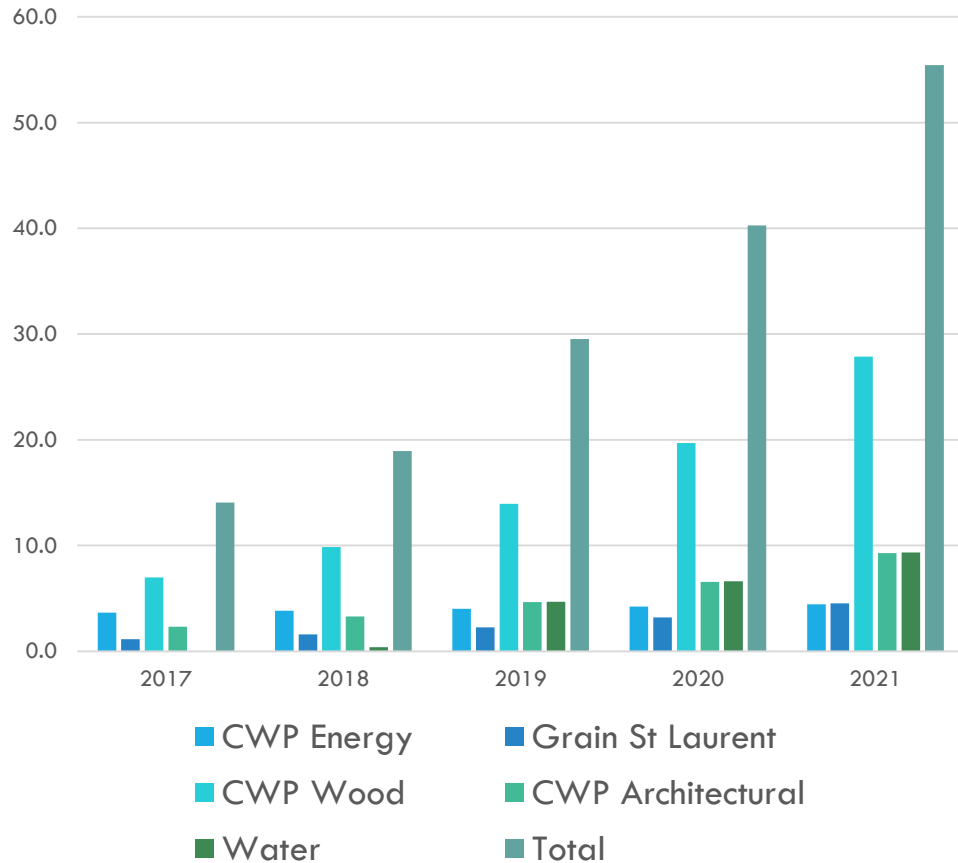
Implementation

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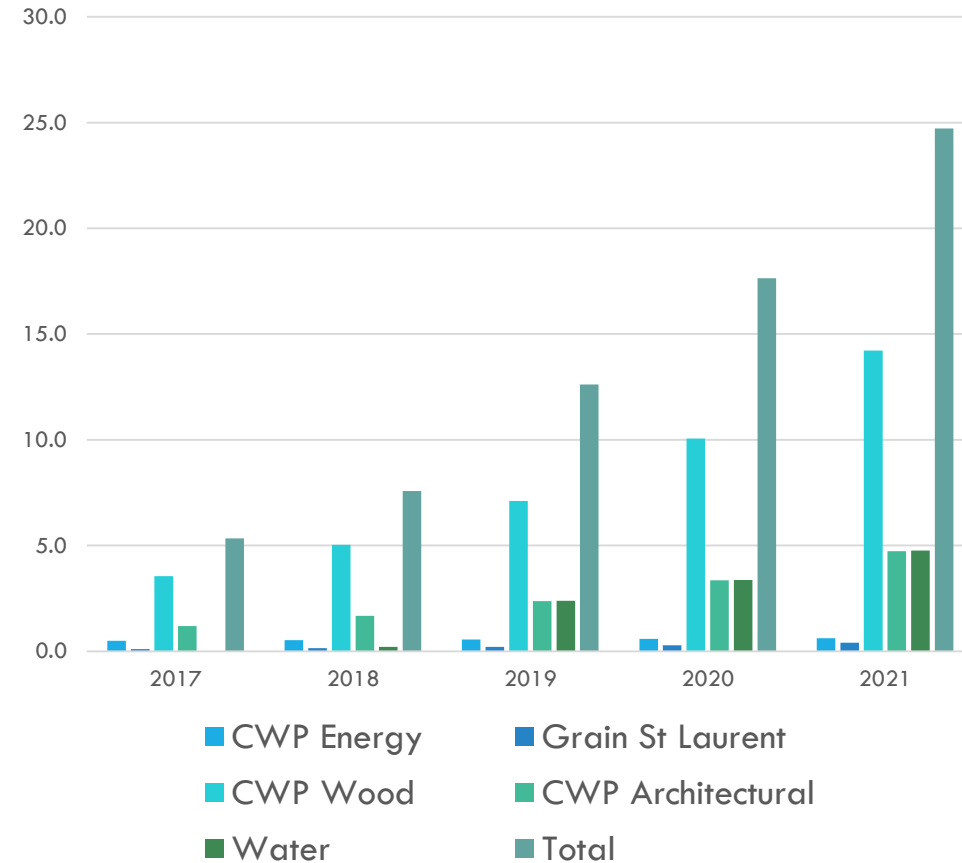
Risk

FINANCIAL

Gross Profit



EBITDA



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FINAL CONSIDERATIONS

**SUSTAINABLY BUILD, FEED AND POWER THE PLANET
NEXT GENERATION OF TRADING COMPANY**

KEEP INVESTING IN CURRENT
BUSINESS

ENTER THE WATER MARKET

\$4 MI INVESTMENT

2021

\$55.4 MI
GROSS PROFIT

\$24.7 MI
EBITDA