

McGill StLaurent

Knight Consulting

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Introduction

- ▶ Competitive advantages of McGill StLaurent
- ▶ Concerns
- ▶ Recommendations
- ▶ Financials
- ▶ Implementation

McGill StLaurent Competitive Advantages

- ▶ Mission Statement : Build, Feed, and Power the Planet
- ▶ Continuing Growth
- ▶ Back to back program implementation
- ▶ Human capital

Concerns

- ▶ Volatility of the energy market
- ▶ Low diversification of the grain and energy markets
- ▶ High competition in commodities
- ▶ Being caught off guard by disruptive technology
- ▶ Unrealistic revenue growth

Recommendations

Enter the metals related to energy storage market

Open an HR division

Improve the AI capabilities in the trading market

Enter the Metals Related to Energy Storage Market

Pros	Cons
Growing market	High risk
Growing value	High entrance cost
Lower competition	Restricted cash
High barriers to entry	
Current contacts in industry	

Open HR Branch

Pros	Cons
Preserve the company culture	Cost
Continue finding and attracting talented employees	Lost time
Continue smooth employee development	

Improve AI Capabilities and Data Analytics in Trading Market

Pros	Cons
Competitiveness with larger firms	Cost
Better forecasting abilities	Lack of experience

Financial Growth Expectation

	2017	2018	2019	2020
Revenue	\$ 188,720	\$ 254,772	\$ 343,942	\$ 464,322
GROWTH	10%	35%	35%	35%
Direct Costs	\$ 174,660	\$ 235,791	\$ 318,318	\$ 429,729
Canadian Wood Products	\$ 9,290	\$ 11,988.83	\$ 16,184.92	\$ 21,849.64
Grain St. Laurent	\$ 1,130	\$ 1,182.62	\$ 1,596.54	\$ 2,155.33
CWP Energy	\$ 3,640	\$ 5,809.55	\$ 7,842.89	\$ 10,587.90
Gross Margin Total	\$ 14,060	\$ 18,981	\$ 25,624	\$ 34,593
	-13%			
Administrative Costs	\$ 8,720	\$ 10,555	\$ 12,267	\$ 13,340
Canadian Wood Products	\$ 4,740	\$ 7,651.41	\$ 12,351.08	\$ 19,937.39
Grain St. Laurent	\$ 100	\$ 104.64	\$ 109.50	\$ 114.59
CWP Energy	\$ 500	\$ 669.67	\$ 896.91	\$ 1,201.26
Total EBITDA	\$ 5,340	\$ 8,425.73	\$ 13,357.49	\$ 21,253.24

Assume more sustainable growth

- **\$21.2 Mill in EBITDA by 2020**

- **Assume Sustainable 35% Growth**

- Not 100% plus yearly

With addition of Metal Commodities

	2017	2018	2019	2020
Revenue	\$ 188,720	\$ 318,465	\$ 537,410	\$ 906,879
GROWTH	10%	35%	35%	35%
Direct Costs	\$ 174,660	\$ 289,129	\$ 491,992	\$ 833,505
New Metals Commodities	\$ -	\$ 5,610	\$ 5,380	\$ 5,810
Canadian Wood Products	\$ 9,290	\$ 14,986.04	\$ 25,288.94	\$ 42,675.08
Grain St. Laurent	\$ 1,130	\$ 1,478.28	\$ 2,494.59	\$ 4,209.62
CWP Energy	\$ 3,640	\$ 7,261.94	\$ 12,254.52	\$ 20,679.50
Gross Margin Total	\$ 14,060	\$ 29,336	\$ 45,418	\$ 73,374
Administrative Costs	\$ 8,720	\$ 18,701	\$ 29,630	\$ 49,447
New Metals Commodities	\$ -	\$ 2,210	\$ 2,431	\$ 2,674
Canadian Wood Products	\$ 4,740	\$ 7,651.41	\$ 12,351.08	\$ 19,937.39
Grain St. Laurent	\$ 100	\$ 104.64	\$ 109.50	\$ 114.59
CWP Energy	\$ 500	\$ 669.67	\$ 896.91	\$ 1,201.26
Total EBITDA	\$ 5,340	\$ 10,635.73	\$ 15,788.49	\$ 23,927.34
Value	\$ 43,387.50	\$ 86,415.27	\$ 128,281.52	\$ 194,409.65

Assume more sustainable growth

- \$23.9 Mill in EBITDA by 2020
- Assume Sustainable 35% Growth
 - Not 100% plus yearly
- Requires investment in Restricted Cash
 - Higher Risk
 - Int. 4.5 Million in NWC
- Addition Human Capital
 - Comparable to Energy
- NPV
 - \$17,100,000
 - 15% Market and 10% growth

Implementation Plan

Task	Cost/Savings	Time Scale
Open HR branch	-\$300,000	6-8 months
Increased data analysis	-\$300,000	6-8 months
Enter new commodity sector	-\$4.5 million	12 months
Invest in AI capabilities	-\$ 1 million	24 months

Alternative: Expand the grain division into the Mid-West

Pros	Cons
Increased contact with suppliers	Cost
Familiarity of North American logistics	Mid-West competition

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the left and right sides of the frame, creating a modern, layered effect. The central area is a plain white space where the text is located.

Thank you