

PROLAM

Driven by Innovation

Jonathan Post

Plant Manager

Prolam, LLC – Stuart, VA Plant

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PROLAM

An Introduction to Prolam



Who We Are

- Prolam is the most technologically advanced and highest quality laminated trailer flooring manufacturer in North America.
- We are not the biggest in this industry, but we are the best at what we do and how we do it.
- The company is headquartered in Cap St. Ignace, Quebec in Canada.
- The Stuart, Virginia plant is the second location of Prolam
- We are sister companies with Ten Oaks and Mirage residential flooring manufacturing companies.

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TEN OAKS

ESTABLISHED 2004

mirage™

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The History

- The beginning of Prolam started with the acquisition of the Leclerc family's trailer flooring manufacturing assets in 1997 by Pierre Thabet.
- Immediately, the passion and drive towards excellence became evident in everything we did.
- We evaluated our processes, equipment, quality, customer needs, and employees and began our great journey to become the very best.
- Fast forward 28 years and you will see a legacy of growth, innovation, and passion unlike anything in the industry.



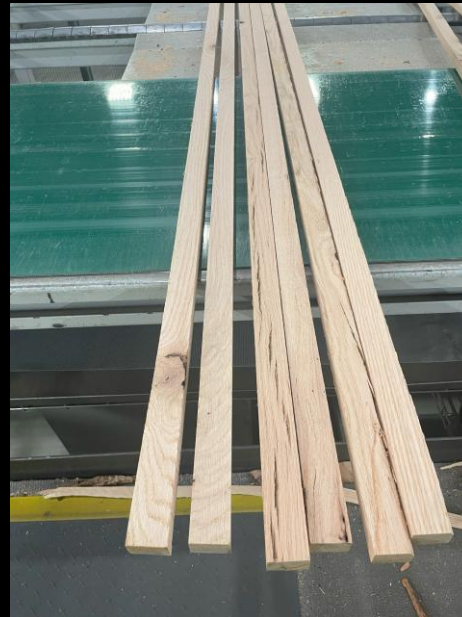
Expansion to the U.S.

- It was the next logical step to expand operations into the U.S. for two reasons:
 - Most of the demand of trailer floors is in the U.S. and Mexico.
 - There is great availability of hardwood lumber (especially oak).
- Plans were made for a 2021 start-up, but then the setbacks from Covid delayed these plans.
- Our official start in the U.S. was January 5, 2022.
- Though there were many challenges, we have been very successful in the expansion of operations in the U.S. and we continue to do so through investment, innovation and determination.



Our Process-Wood Preparation

- This first stage is to create the components that we use in the floors.
- From dry lumber, we must obtain a universal thickness of lumber.
- Once we have universal thickness, we use an optimizing rip saw to rip the lumber into the rough size sticks that we will need.
- Using an automated cross-cutting system, any defects that are unacceptable for strength or gluing are cut out.
- We then end match the good sticks to use in the flooring production.



Our Process-Gluing and Finishing

- Gluing
 - Using the parts we create from wood preparation, we apply glue and assemble the pieces on a table using strict standards to ensure quality.
 - Then we use radio frequency technology to heat the glue to make a very strong, durable bond.
- Finishing
 - We take the rough boards from the gluing process and machine them down to our customers' designed profile. This ensure a proper fit in the installation process on the trailer chassis.
 - Once the correct dimensions are machined, we are able to apply coatings to the customer specifications such as undercoating or Waxin application.



Continuous Innovation

- The most notable and visible innovation from Prolam is our Zig Zag design to the ends of our sticks. This ensures greater resistance to water penetration as well as greater strength characteristics which is industry leading.
- Our undercoating and treatments are also extremely valuable to our customers' needs and longevity of trailer life.
- Our innovation goes beyond what our customers see in the final product. We have cutting edge technology, automation and processes that make us flexible, efficient, and resilient through changing conditions.
- Innovation and perseverance are embedded in our culture.



ZIG ZAG

Finger-joint design and assembly technology



P.U.R

Hot-melt polyurethane undercoating



WAXIN

Deep solid paraffin treatment



WINGOLITE®

Fiber-reinforced composite floor

Impeccable Quality

- Quality sets you apart from your competition. That is why we constantly work to achieve the highest quality and reputation in the industry.
- This is an integral part of our daily regiment at Prolam. From the lumber coming in, through the various processes and all the way until it leaves our facility, we continuously monitor and correct to ensure that we are manufacturing the best quality possible.



A large stack of lumber in a yard under a blue sky. The lumber is stacked in a long, straight line, creating a perspective that leads the eye towards the horizon. The sky is a clear, bright blue with some light, wispy clouds. The ground is a dark, paved surface, possibly a road or a parking lot. The overall scene is bright and clear, suggesting a sunny day.

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Lumber Supply

Lumber Usage and Acquisition

- While our Candian plant uses various hardwoods for producing trailer flooring, our plant in Stuart is only using oak in production.
- We utilize 4/4 lumber for our operations now but will expand to 5/4 usage in the future.
- We buy lumber mostly through Ten Oaks, LLC. Their operation sorts, stacks and dries a majority of our lumber.
- We also purchase some kiln dried lumber directly when needed to supplement.

TEN  OAKS
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Quality

- Laminated hardwood trailer floors are not visually dependent for their value. They are a structural product in their usage. Therefore, strength and ability to be glued well is paramount.
- Prolam uses a 3A / 2 common mix of oak.
- What defects are completely unusable: rot, decay, bark, shake, undersize thickness
- What defects can be acceptable: sound and unsound knots, minimal wane, minimal cracks and splits, stain, mineral, minimal overthickness



Volume

- Our current volume processed is between 5-6 million board feet per year.
- We will be steadily growing towards 14 million board feet per year by 2028.



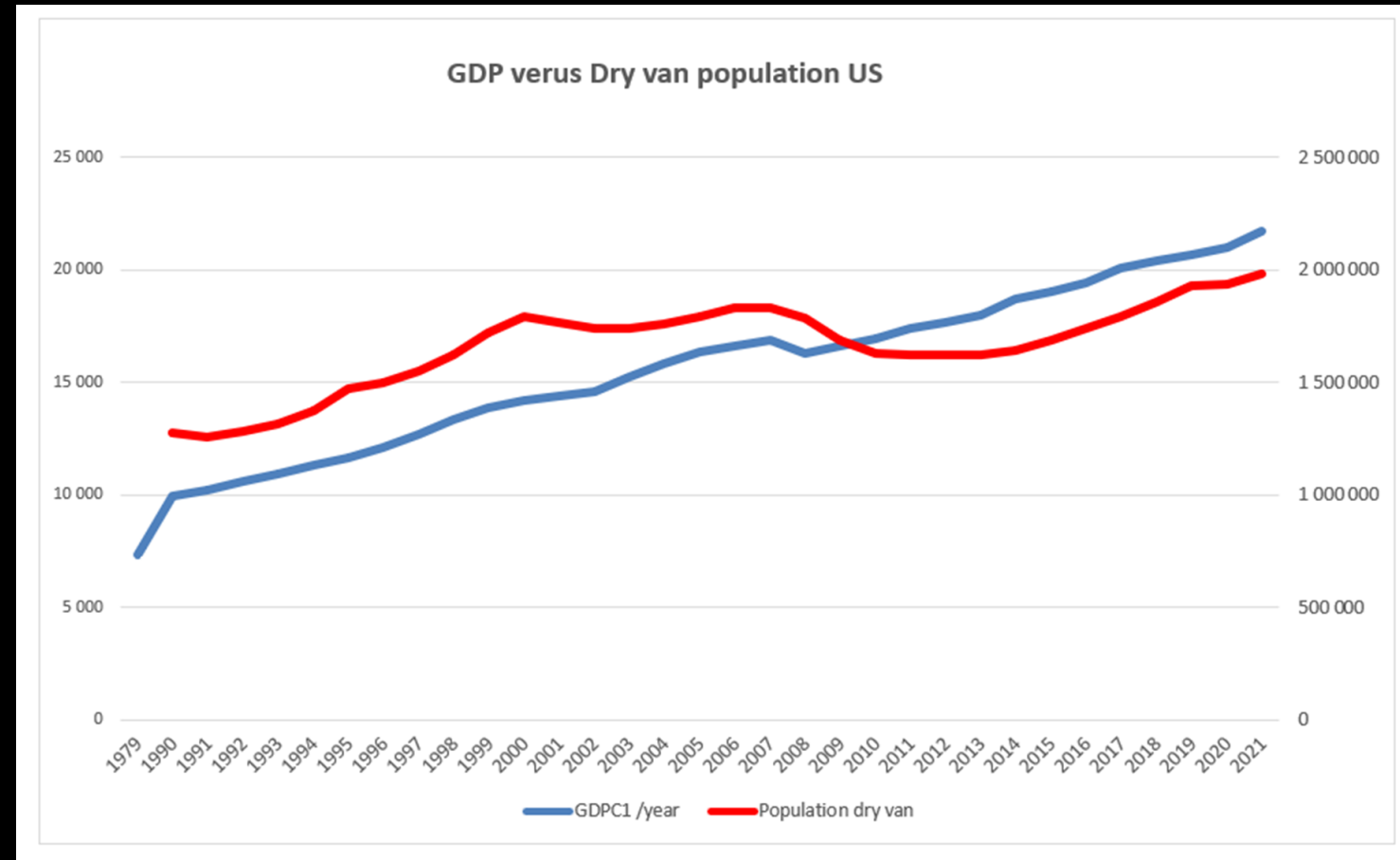
A stack of wooden planks, likely for construction or furniture, is shown in a close-up, slightly angled view. The planks are stacked in a way that creates a strong sense of depth and texture. A large, semi-transparent red shape is overlaid on the left side of the image, containing white text. The text is arranged in two lines: the top line is the word 'PROLAM' in a bold, sans-serif font, and the bottom line is 'Market Information and Forecasting' in a smaller, bold, sans-serif font.

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**Market Information
and Forecasting**

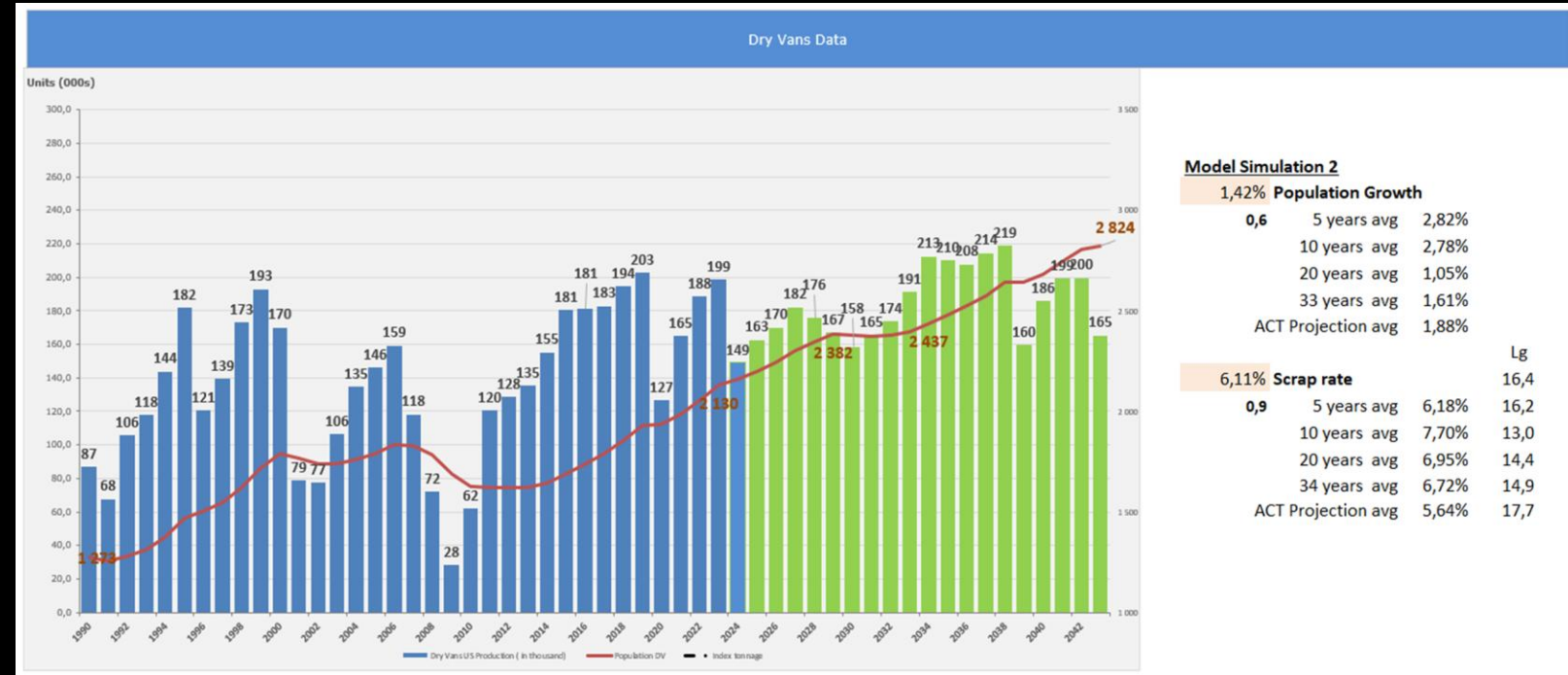
General Transportation Industry Information

- Freight demand grows with GDP.
- Since our GDP trends upward over time, the number of trailers has increased and will continue to increase.
- In the past, the average lifespan of a dry van trailer was 10 years. With better construction, materials, and design, the average life span has increased to 15 years.
- This increase of the life span of trailers is why we see that the increased number of trailers does not directly correspond with GDP growth.



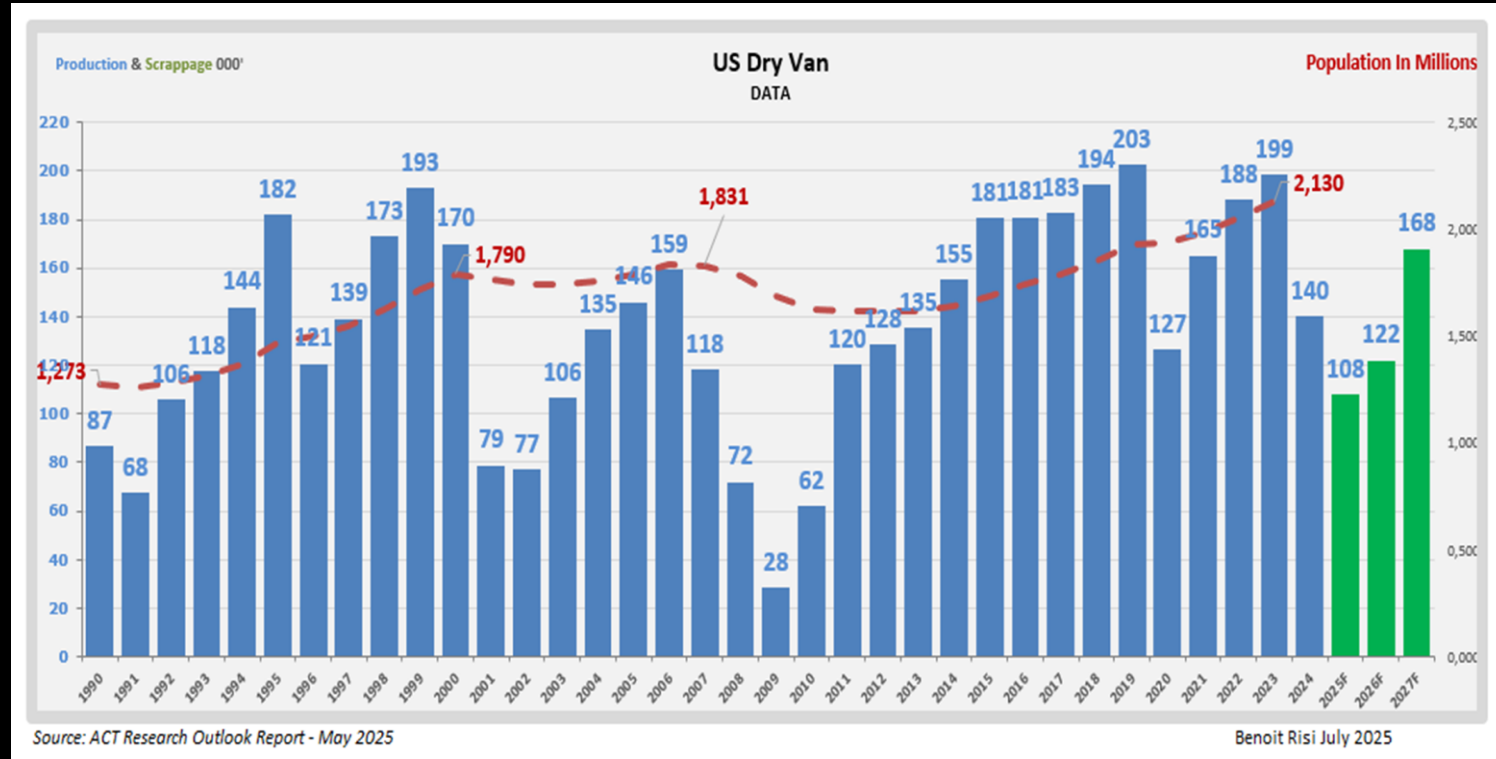
Long Term Forecast

- The long-term forecast is good for the transportation industry in North America.
 - 2019: 1 million dry van trailers
 - 2023: 2.1 million dry van trailers
 - 2030-2040: 2.6-2.8 million dry van trailers
- Like every industry there are market cycles, but there is still overall growth.



Short Term Forecast

- This year has been turbulent for the economy so far. It is likely to remain this way at least through this year.
- The large and changing tariffs have created uncertainty and will continue to do so until we can become stable.
 - This has led fears of high interest and inflation which slows down investment.
- In summary: In the short term, we don't know all of the effects caused by this economic environment.



Additional Challenge: Labor

- Labor availability and engagement continues to be a problem in both the U.S. and Canada.
- Even though reports show available workers in reports, much of this labor is non-elastic labor. This means that the worker is not able or suited to change from one industry to another.
- Much of the skilled and experienced labor is aging.
- We are all feeling this burden.



While the recent gains indicate the labor force is recovering from the COVID-19 pandemic, the fact remains that the LFPR in the US has been on a **long-term decline since 2000**. A look at this graph from the St. Louis Fed shows its trajectory since 1948.^[2]

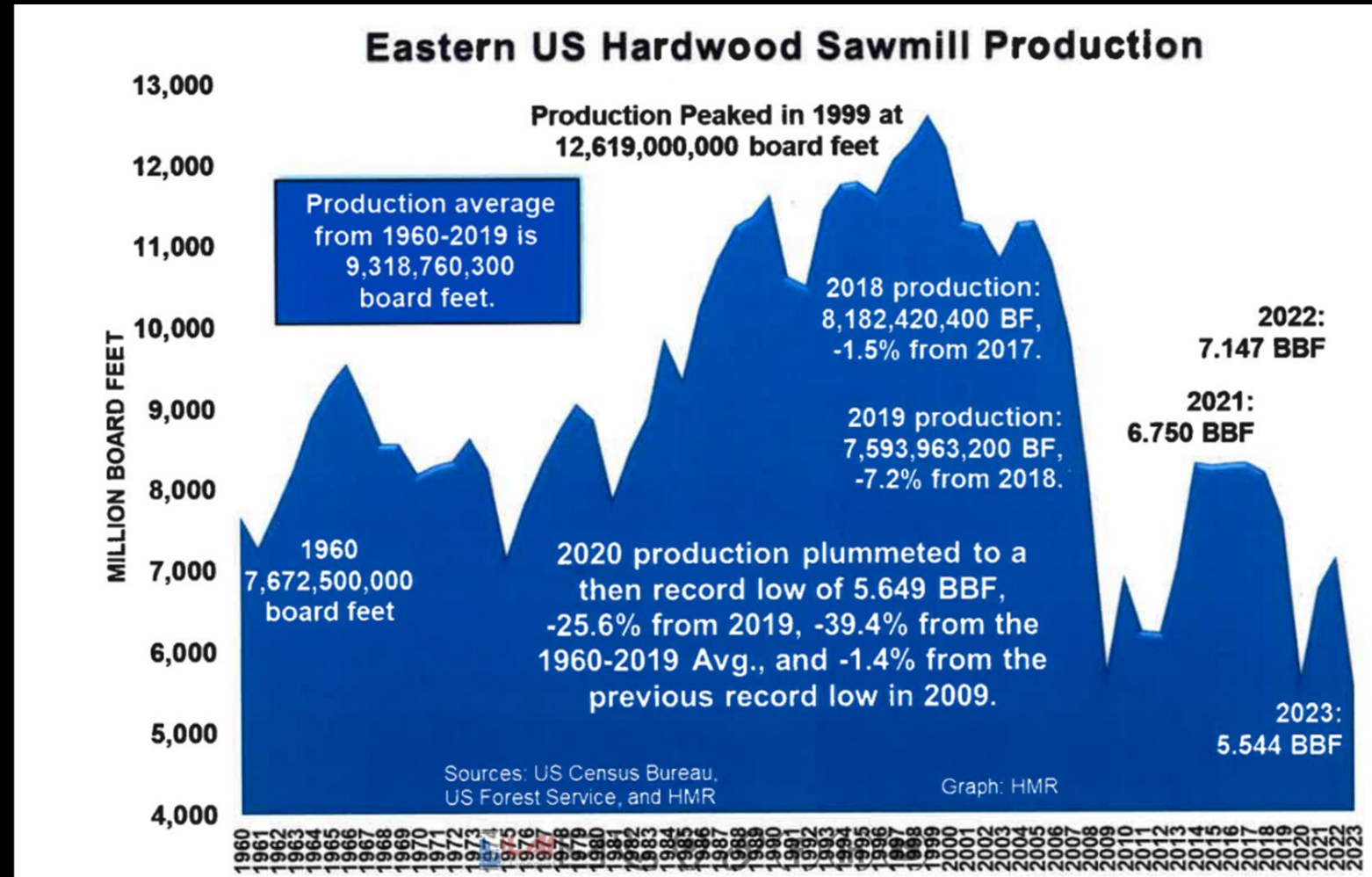
Prolam's Answer To These Challenges

- Our culture of innovation has not been focused on just cost cutting and increased production. Through our extensive investment in automation, we are prepared to be flexible with changing market conditions and challenging labor shortages.
- Prolam has invested more than \$15 million in just automation.
- We have positioned Prolam to ride through the storms and come out resilient on the other side.



What We Need From The Sawmills

- The available hardwood lumber supply is the lowest since 1960.
- The biggest thing we need from the sawmills is lumber.
 - Consistency
 - Quality
 - Quantity



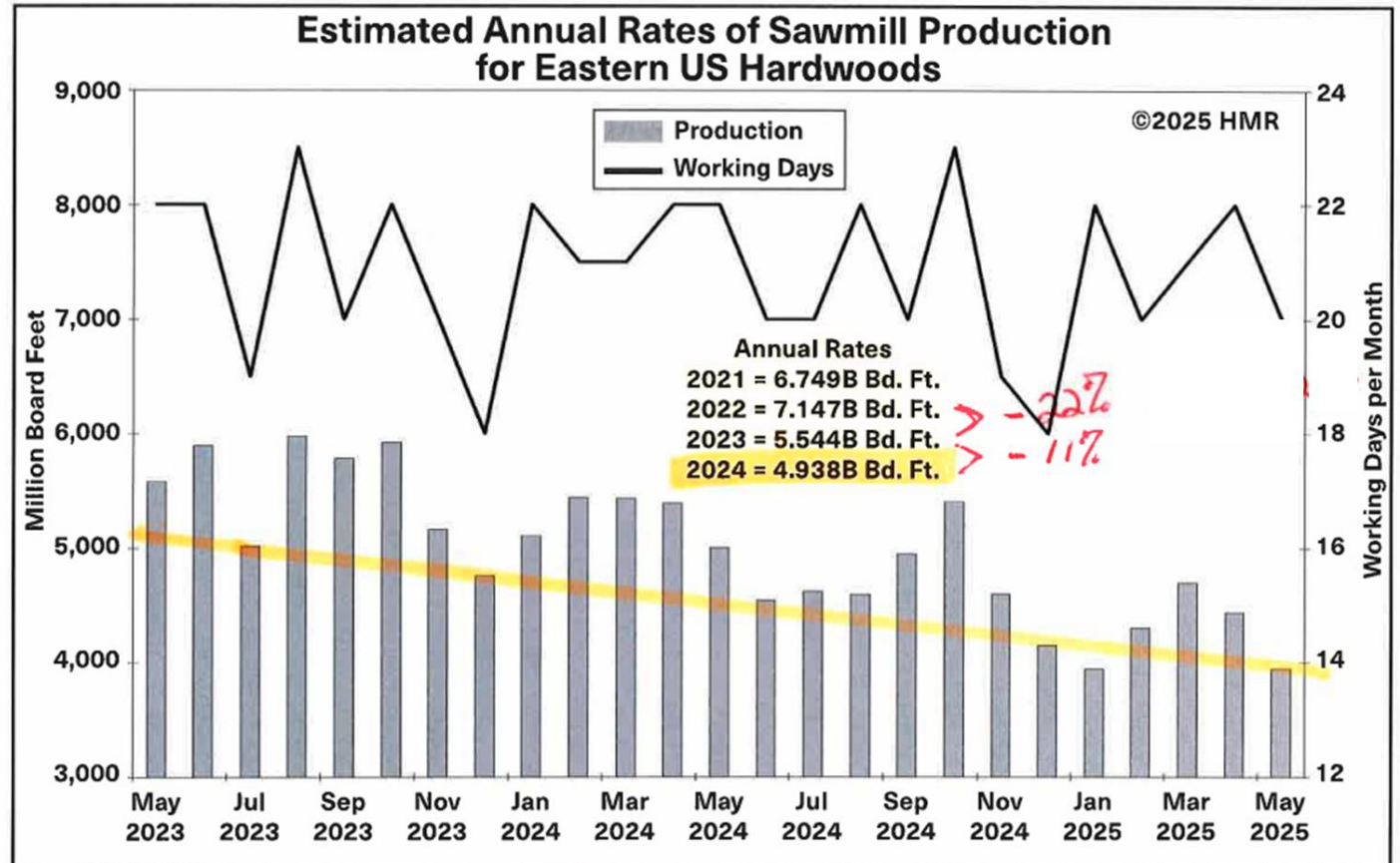
We Need You

- We know that you face the same struggles with labor, fluctuating demand and challenging economic conditions.
- We all have to do what we can to be able to remain capable and profitable for the long term.
 - Re-investment
 - Developing your teams
 - Solidifying your supply chains
 - Establishing strong customer networks
- We want sawmills that will work with us to develop the long-term relationships that are mutually beneficial.

June 13, 2025
FLAG DAY
June 14th
VOLUME CIII
NUMBER 24

Hardwood Market Report

Lumber News Since 1922, A Part of Fastmarkets



**Composite Indices of HMR Prices for Kiln Dried 4/4 #2A&Btr Lumber
Appalachian - Selective Species**

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