

Wisconsin Paper Group, Inc.

Parent of WPG Shippers Association

FROM: Tom Murray
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SUBJECT: Wisconsin Paper Group 2018 In Review

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In WPG's 2018 Business Plan, we made a strategic decision to scale back selective offerings. We started by forecasting an annual reduction in tonnage. We also planned our 2018 Budget with a zero percent increase in service rates for our Members. These two issues would vastly reduce our revenue while incurring business expenses with substantial increases. This resulted in our plan to operate with a net loss for the year. The reasoning to operate at a loss in the Business Plan was to factor the use of cash reserves in order to reach a running two year 0% net profit as per our corporate mandate. Annual results showed these goals were met and the fiscal year ended as "Mission Accomplished."

At this point of my annual presentation, I usually point out WPG's business challenges of the past year. One again, we were faced with repetitive industry issues:

- Government Regulation
- Carrier Capacity
- Drivers Shortages
- Weather Conditions

Instead of going into details of our challenges, this year we will highlight our strength – WPG Employees!

Our business model as a Not-for-Profit freight consolidator is unique in the industry. We have leading edge systems and well established processes to support and assist WPG employees. Our employees knowledge and "know how" enables them to address a workflow that is very fluid and high paced. Our employee's skill sets consistently produce positive results. This daily employee engagement is crucial to WPG's success. Their dedication, focus and experience is the base of WPG's ongoing well-being.

Individually and as a whole, we thank the entire WPG team for a job well done.

Thank you for your continued support of the Wisconsin Paper Group.

Tom Murray
President & CEO
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