THE LUMBER DAILY

Friday, May 8, 2026
Technology Edition
Est. 2026 | Vol. 1, No. 34

MARKET PULSE | Lumber $579 | WTI $96 | Diesel $5.35 | S&P 7,337 | 10yr ~4.37%

TOP STORIES

Mercer International Posts Q1 Net Loss of $52 Million as Fiber Costs Weigh

Mercer International reported first quarter 2026 EBITDA of $7.8 million and a net loss of $52 million, or $0.78 per share, missing analyst consensus by $0.04. Revenue came in at $489.3 million, roughly 3% below the year-ago quarter. The company recorded a $22 million inventory impairment tied to elevated fiber costs and soft pricing. Mass timber was a bright spot: order commitments reached approximately $171 million in the quarter, up from $163 million at year-end 2025, and management guided to approximately $120 million in mass timber revenue for full-year 2026. The solid wood segment posted revenue of $131.7 million, up roughly 7% year over year. Mercer also disclosed that it obtained a covenant waiver after failing to meet its required leverage ratio at quarter-end, with liquidity standing at approximately $229 million. Its One Goal One Hundred cost-reduction program has delivered $41 million in savings to date. A conference call is scheduled today, May 8, at 10am Eastern.

Spahn & Rose Lumber Names New Chief Executive After 122 Years

Spahn & Rose Lumber Co., the Dubuque, Iowa-based building materials dealer, announced that Matthew Parrish will succeed retiring chief executive officer Dave Davis. Parrish brings more than 30 years of building materials industry experience and becomes the ninth chief executive in the company's 122-year history. Board chair Jim Altman noted that under Davis, the company achieved record growth and expanded market share. The transition takes effect in May 2026.

Washington DNR Cuts Timber Revenue Forecast as Riparian Rule Change Nears

Washington's Department of Natural Resources cut its fiscal year 2026 timber revenue forecast by 9%, or $15 million, to $153 million, with planned sales volume reduced by 25 million board feet to 500 million board feet. A pending change to forest practices rules around harvests in riparian zones is creating a pull-forward incentive for private timber owners to harvest under current rules before new restrictions apply. That accelerated private harvest is expected to displace volume from DNR-managed trust lands, depressing state timber revenue. The Board of Natural Resources met May 5 to review timber sale proposals against this backdrop. Revenue from responsible harvest on state trust lands funds county schools, roads, and public safety.

DEEP DIVE: SaaS & SOFTWARE FOR LUMBER

Epicor: The Dominant Platform

Epicor is the largest ERP vendor serving the lumber and building materials channel. The Austin, Texas-based company, founded in 1972, now employs roughly 6,250 people across 88 locations and surpassed $1 billion in annual recurring revenue in 2024. Its BisTrack platform runs at 75 of the top 100 building supply companies in North America, while its LumberTrack system serves 55 of the top 100 softwood lumber producers. Another 9,000-plus hardware and retail stores operate on Epicor platforms. BisTrack version 5.5, released with four connected mobile apps (Count, Picking, Receipt, Stock), supports complex pricing structures, rebates, freight, special orders, inside and outside sales, and multi-location inventory workflows. The company is phasing out on-premises deployments: BisTrack Desktop reaches end-of-life as early as December 2026, with the web-browser and API version following in July 2028. In March 2026, Epicor signed a strategic partnership with the Associated Building Material Distributors of America (ABMDA) to support two-step wholesale distributors through BisTrack and its Prism AI platform. Prism, launched September 2025, offers more than 200 AI use cases across finance, production, and operations, with outcomes-based pricing: customers pay only for request-for-quotation workflows that convert to purchase orders.

DMSi: The Specialist Acquirer

DMSi Software, founded in 1976 and headquartered in Omaha, Nebraska, is privately held with roughly 300 employees and an estimated $11 million in annual revenue. Its Agility ERP handles everything from tallied lumber units down to piece count and board-length searches across multiple branches, with centralized purchasing for multi-location operations. Customers span the full range of LBM distribution: ABC Supply ($20.7 billion in revenue), Rugby Holdings ($100 million), Wurth Wood Group ($70 million), New Castle Building Products ($30 million), and Diamond Hill Plywood ($25 million). DMSi has grown through targeted acquisitions: eLIMBS (hardwood sawmill and lumber processing inventory software) in 2021, Simply Computing in 2022, and Millwork Development. In 2025, DMSi launched Frameworks, a fully web-based point-of-sale and ERP system aimed at retail building materials dealers. Frameworks runs entirely in a browser and bundles retail POS, contractor sales, purchasing, inventory control, accounting, and reporting in a single platform. The company also offers PartnerView, an e-commerce portal with integrated chat and customer-initiated pickup requests, plus Mobile Warehouse Tools for counting, moving, picking, and receiving inventory.

The Challenger Pack: ECI Spruce, WoodPro, and GenetiQ

ECI Spruce has served lumberyards, home centers, and building supply dealers for nearly 35 years. Now cloud-based, Spruce combines point of sale, inventory, purchasing, accounting, analytics, and e-commerce in a single system aimed at small to midsize LBM operations. ECI recently launched Spruce eCommerce, a customer-facing payment portal. WoodPro Software, with more than 40 years of development history, serves over 150 enterprises including Matheus Lumber, Alpine Lumber, Sherwood Lumber, and Forest Plywood. Its InSight ERP handles lumber-specific workflows: tallies, back-to-back sales processing, and automatic unit conversions across pieces, board feet, thousand board feet, lineal feet, square feet, and cubic meters. WoodPro added AI-powered width measurement that generates reports with images and updates inventory in real time. GenetiQ, formerly Intact Software, rebranded on March 2, 2026 after 32 years in building materials. Founded in Ireland in 1992, the company repositioned as a cloud-native, browser-based ERP built exclusively for lumber and building materials dealers. GenetiQ reports that customers see up to 30% sales uplift from pricing consistency across branches and more than 100 hours per month saved in finance through automated workflows.

Salesforce and the CRM Layer

Beyond the industry-specific ERPs, Salesforce has carved out a CRM role in wood products. National Wood Products, a wholesale distributor of hardwood lumber, plywood, and specialty building materials serving cabinet makers, furniture manufacturers, and architectural millwork firms, deployed Salesforce Manufacturing Cloud to digitize its sales pipeline. Sales representatives now prioritize outreach based on real-time data and lead scores rather than spreadsheets, and the automated flow from lead capture to closed opportunity has reduced administrative overhead. Salesforce's Manufacturing Cloud connects sales forecasts, contracts, procurement, and production planning in a single system. For wood products specifically, the platform targets the coordination gap between demand planning and raw material availability, with industry data suggesting ineffective demand-supply alignment causes up to 18% material waste in wood manufacturing. Salesforce holds roughly 20% of the global CRM market. Its role in lumber is typically as a layer on top of an industry ERP: BisTrack or Agility handles the inventory, tallies, and mill-specific workflows, while Salesforce manages the customer relationship, quoting, and pipeline forecasting. The integration between these layers remains a manual exercise at most LBM operations.

WHAT YOU MISSED YESTERDAY

Thursday, May 7 — business, markets, and the broader economy.

- S&P 500 slipped 0.38% to 7,337.11, Nasdaq eased 0.13% to 25,806.20, Dow fell 314 points to 49,596.97 — pulling back from records set a day earlier as oil prices whipsawed on Iran deal uncertainty.
- WTI crude erased sharp intraday losses to settle near $96. Brent settled around $100, continuing its decline from above $115 earlier in the week.
- Treasury yields edged higher on oil-price volatility. CME lumber futures held near $579/MBF, roughly flat.
- Ted Turner, media mogul and CNN founder, died at 87. Turner transformed cable television and owned the Atlanta Braves for more than two decades.
- Eli Lilly's Mounjaro surpassed Merck's Keytruda as the world's best-selling drug at $8.7 billion in Q1 2026 revenue.
- NBA Conference Semifinals: Detroit over Cleveland (2-0 series lead); Oklahoma City over the Lakers (2-0). Earlier in the week, San Antonio blew out Minnesota 133-95 and New York edged Philadelphia 108-102.

INDUSTRY & COMPANY NEWS

- **Finland's sawmill sector posted a weak start to 2026** — production and exports fell sharply in the opening months of the year, with pine lumber markets particularly soft amid subdued European demand.
- **Conifex Timber will release first quarter 2026 results before market open on May 15** and host a conference call at 9am Pacific / noon Eastern the same day. The company's Mackenzie, British Columbia sawmill begins a seven-week curtailment May 19 on log-inventory and spring-breakup constraints, with a target restart in July.
- **Farm Credit East published its 2026 Forest Products Industry Outlook**, forecasting that softwood lumber markets will stabilize through 2026 following a prolonged stretch of weak pricing and oversupply, noting that supply constraints in several producing regions are beginning to offset softening demand.

BY THE NUMBERS

INDICATOR	VALUE	TREND
CME Lumber (May)	$579/MBF	Flat DoD
Madison's (wk May 1)	$524/MBF	Flat WoW, -5% MoM
WTI Crude	~$96/bbl	Erased sharp losses
EIA Diesel (wk Apr 27)	$5.35/gal	Flat WoW
Freddie PMMS 30yr	6.30%	Flat WoW, 3-spring low
10yr Treasury	~4.37%	Yields higher
CAD/USD	~0.73	Flat WoW

THE BOTTOM LINE

Three things for your Friday: Mercer's covenant waiver and $52 million net loss confirm that pulp and solid wood margins have not recovered, and the $171 million mass timber backlog is absorbing capital even in a down cycle. Washington's pending riparian rule change is pulling private harvest forward before state trust land volume is marketed — the displacement will surface in Q3 DNR auction results. Epicor alone runs at 75 of the top 100 building supply companies and is sunsetting on-premises BisTrack by December 2026, forcing a cloud migration across much of the wholesale channel — the installed base is large, but the gap between what these platforms can do and what most operators actually use remains wide.

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