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Packaging Corporation of America Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

Certainly. (Operator Instructions) Your first question comes from Mark Weintraub - Buckingham Research.

Mark Weintraub - Buckingham Research

Paul, I wanted to spend a little bit of time on the significant improvement in demand you've seen in April, the first part of April. Just a clarification, on the bookings and the billing, how many days would you have of each of those where you said they were up 15%?

Paul T. Stecko

Yes, we have 10 days in April, which is basically half of the month. And I would amplify just a little bit. When this thing picked up it just picked up very quickly, and it actually started in the first week in April. And actually that also included the first week in April is on a Wednesday, that Monday and Tuesday were also very strong. So that whole week was the pickup. So this pickup has been really 12 days, 12 box plant days in duration. The last two days in March and then the next 12 days in April. So 10 days in April, but 10 days in April is the short answer to your question.

Mark Weintraub - Buckingham Research

I think you said that bookings were up 15% and billings were, it was a number less than that. Does the billings usually become equal to the bookings?

Paul T. Stecko

Yes. A very high correlation. By the end of the month, the billings usually catch up with bookings. You know, basically how it works you book an order, you may ship it that day, you may ship it within two or three days or it may be as long as 10 days. And what the average is probably a five or six day lag from the time you book an order to the time you ship it. And usually there is a flop over. The last few days in March carry over into April billings, and the last few days in April carry into May billings. But the lag is a couple of days by the end of the month.

Mark Weintraub - Buckingham Research

And is this improvement you're seeing, is it broad based or are you seeing some specific areas in particularly strong?

Paul T. Stecko

No, it's – I mean it's like somebody turned the light switch on, Mark. You know, we've been booking in the let's say mid-90s and 90 million feet a day, 95 million feet a day. We'd have some 80s on a bad day, maybe 105 on a good day. We've had some days into the 120 million foot range. So it's been a big, big change and there's nothing we can see except its pretty broad based.

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