

## Inland Northwest composite increases

Seven of nine companies had gains in market cap

**LeAnn Bjerken**    **October 26th, 2017**

Hart Capital Management Inc., of Spokane, says the composite value of the nine publicly traded Inland Northwest companies increased to \$12.2 billion in the recently completed third quarter, an increase of \$1.1 billion, or 9.7 percent, from the previous quarter.

In the second quarter of this year, the composite value of the publicly traded companies rose to \$11.1 billion from \$10.8 billion, an increase of \$248 million, or 2 percent, from the previous quarter.

The third-quarter gain is the seventh increase in the composite in the last eight quarters.

Both the second and third quarter increases followed a slight decline in the first quarter of this year.

Hart Capital tracks the performance of publicly traded companies in the region with its composite and its Inland Northwest Index, which tracks companies in a methodology similar to the S&P 500.

The nine publicly traded companies based here currently include Avista, Itron Inc., Hecla Mining Co., Potlatch Corp., Washington Trust Bank Financial Corp., Clearwater Paper Corp., Idaho Independent Bank, Key Tronic Corp., and Northwest Bancorporation Inc.

During the third quarter, Hart Capital says, seven of those nine tracked companies experienced an increase in market capitalization.

That's similar to the second-quarter results, in which seven of 10 tracked companies had quarter-to-quarter market capitalization increases. During the third quarter, Red Lion Hotels Corp. moved its headquarters to Denver, which prompted its removal from the analysis.

In the third quarter, Spokane-based utility Avista Corp. led the group with a \$600 million, or 21.9 percent, increase in market capitalization. The company's outperformance was mainly attributed to investors' reaction to the July 19 announcement that it would be purchased by Hydro One, a Canadian utility company based in Ontario, Hart Capital says.

The transaction valued at \$5.3 billion U.S., or \$6.7 billion Canadian, has been approved by the boards of the companies and is scheduled to be completed in the second half of 2018.

Other top performers in the quarter were Liberty Lake-based Itron Inc., which had a \$378 million market capitalization jump, and Spokane-based Potlatch Corp., which saw a \$215 million rise in market cap.

For the nine-month period ended Sept. 30, Avista, Itron, and Potlatch led with increases in stock price of 29.5 percent, 23.2 percent, and 22.4 percent, respectively.

Potlatch has risen steadily throughout the year along with lumber pricing, a key indicator of the company's profitability, says Hart Capital.

Clearwater Paper Corp. was the worst performer in the analysis, seeing its stock price decline 24.9 percent in the same period.

"The company's performance in the year has left investors questioning their ability to hit their full-year guidance metrics," says Hart Capital in a press release.

In the past, Hart's list has included more companies.

In addition to Red Lion's departure last quarter, two public companies fell off the 2015 list, Ambassadors Group Inc., which discontinued operations, and Mines Management, which was acquired by Hecla Mining Co.

Other companies no longer based here include Coeur Mining Inc., which moved its headquarters to Chicago in 2013; Sandpoint-based Coldwater Creek Inc., which shut down its operations after filing for Chapter 11 bankruptcy protection in 2014; Intermountain Community Bancorp, which was acquired by Columbia Banking System that same year; and Sterling Financial Corp. and Revett Minerals Inc., which both were subjects of acquisitions.



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