

# 2023 EARNINGS RESULTS

FIRST QUARTER 2023

# FORWARD-LOOKING STATEMENTS

This presentation contains statements concerning the company's future results and performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including, but not limited to, with respect to: future cash dividends, dividend framework and target percentage return to shareholders of Adjusted Funds Available for Distribution (Adjusted FAD) through cash dividends and/or share repurchase; and our second quarter 2023 outlook and expectations concerning earnings and Adjusted EBITDA for each of our businesses and expected key drivers. Forward-looking statements may be identified by our use of certain words in such statements, including without limitation words such as "expected," "outlook," and "targeted," and similar words and terms and phrases using such terms and words. They may use the positive, negative or another variation of those and similar words. These forward-looking statements are based on our current expectations and assumptions and are not guarantees of future events or performance. The realization of our expectations and the accuracy of our assumptions are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These risks and uncertainties include, without limitation: the effect of general economic conditions, including employment rates, interest rate levels, inflation, housing starts, general availability of financing for home mortgages and the relative strength of the U.S. dollar; the effect of COVID-19 and other viral or disease outbreaks, including but not limited to any related regulatory restrictions or requirements, and their potential effects on our business, results of operations, cash flows, financial condition and future prospects; market demand for the company's products, including market demand for our timberland properties with higher and better uses, which is related to, among other factors, the strength of the various U.S. business segments and U.S. and international economic conditions; changes in currency exchange rates, particularly the relative value of the U.S. dollar to the Japanese yen, the Chinese yuan, and the Canadian dollar, and the relative value of the euro to the yen; restrictions on international trade and tariffs imposed on imports or exports; the availability and cost of shipping and transportation; economic activity in Asia, especially Japan and China; performance of our manufacturing operations, including maintenance and capital requirements; potential disruptions in our manufacturing operations; the level of competition from domestic and foreign producers; the successful execution of our internal plans and strategic initiatives, including restructuring and cost reduction initiatives; our ability to hire and retain capable employees; the successful and timely execution and integration of our strategic acquisitions, including our ability to realize expected benefits and synergies, and the successful and timely execution of our strategic divestitures, each of which is subject to a number of risks and conditions beyond our control including, but not limited to, timing and required regulatory approvals or the occurrence of any event, change or other circumstances that could give rise to a termination of any acquisition or divestiture transaction under the terms of the governing transaction agreements; raw material availability and prices; the effect of weather; changes in global or regional climate conditions and governmental response to such changes; the risk of loss from fires, floods, windstorms, hurricanes, pest infestation and other natural disasters; energy prices; transportation and labor availability and costs; federal tax policies; the effect of forestry, land use, environmental and other governmental regulations; legal proceedings; performance of pension fund investments and related derivatives; the effect of timing of employee retirements as it relates to the cost of pension benefits and changes in the market price of our common stock on charges for share-based compensation; the accuracy of our estimates of costs and expenses related to contingent liabilities and the accuracy of our estimates of charges related to casualty losses; changes in accounting principles; and other risks and uncertainties identified in our 2022 Annual Report on Form 10-K, as well as those set forth from time to time in our other public statements, reports, registration statements, prospectuses, information statements and other filings with the SEC.

It is not possible to predict or identify all risks and uncertainties that might affect the accuracy of our forward-looking statements and, consequently, our descriptions of such risks and uncertainties should not be considered exhaustive. There is no guarantee that any of the events anticipated by these forward-looking statements will occur, and if any of the events do occur, there is no guarantee what effect they will have on the company's business, results of operations, cash flows, financial condition and future prospects.

Forward-looking statements speak only as of the date they are made, and we undertake no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events, or otherwise. Nothing on our website is intended to be included or incorporated by reference into, or made a part of, this presentation.

Also included in this presentation are certain non-GAAP financial measures, which management believes complement the financial information presented in accordance with U.S. generally accepted accounting principles. Management believes such non-GAAP measures may be useful to investors by providing helpful context in understanding the company's performance. Our non-GAAP financial measures may not be comparable to similarly named or captioned non-GAAP financial measures of other companies due to potential inconsistencies in how such measures are calculated. A reconciliation of each presented non-GAAP measure to its most directly comparable GAAP measure is provided in the appendices to this presentation.

# 2023 Q1 CONSOLIDATED RESULTS

\$ Millions	2022		2023	
	Q4	Q1	Change	
<b>Adjusted EBITDA</b>				
Timberlands	\$ 150	\$ 188	\$	38
Real Estate, Energy & Natural Resources	46	89		43
Wood Products	197	148		(49)
Unallocated Items	(24)	(30)		(6)
<b>Total Adjusted EBITDA<sup>1</sup></b>	<b>\$ 369</b>	<b>\$ 395</b>	<b>\$</b>	<b>26</b>
Net Contribution to Earnings Before Special Items	\$ 248	\$ 239	\$	(9)

1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 23](#).
2. Includes other operating costs, net; non-operating pension and other post-employment benefit costs; and interest income and other.
3. Interest expense is net of capitalized interest.
4. An explanation of special items and a reconciliation to GAAP are set forth on [Slide 4](#). Income taxes attributable to special items are included in Special Items, after-tax.

\$ Millions (except EPS)	2022		2023	
	Q4	Q1		
<b>Consolidated Statement of Operations</b>				
<b>Net sales</b>	<b>\$ 1,823</b>	<b>\$ 1,881</b>		
Costs of sales	1,434	1,512		
Gross margin	389	369		
SG&A expenses	127	123		
Other expense, net <sup>2</sup>	14	7		
<b>Net Contribution to Earnings Before Special Items</b>	<b>\$ 248</b>	<b>\$ 239</b>		
Interest expense, net <sup>3</sup>	(66)	(66)		
Income taxes <sup>4</sup>	(11)	(22)		
<b>Net Earnings Before Special Items<sup>4</sup></b>	<b>\$ 171</b>	<b>\$ 151</b>		
Special items, after-tax <sup>4</sup>	(160)	—		
<b>Net Earnings</b>	<b>\$ 11</b>	<b>\$ 151</b>		
<b>Diluted EPS Before Special Items<sup>4</sup></b>	<b>\$ 0.24</b>	<b>\$ 0.21</b>		
<b>Diluted EPS</b>	<b>\$ 0.02</b>	<b>\$ 0.21</b>		



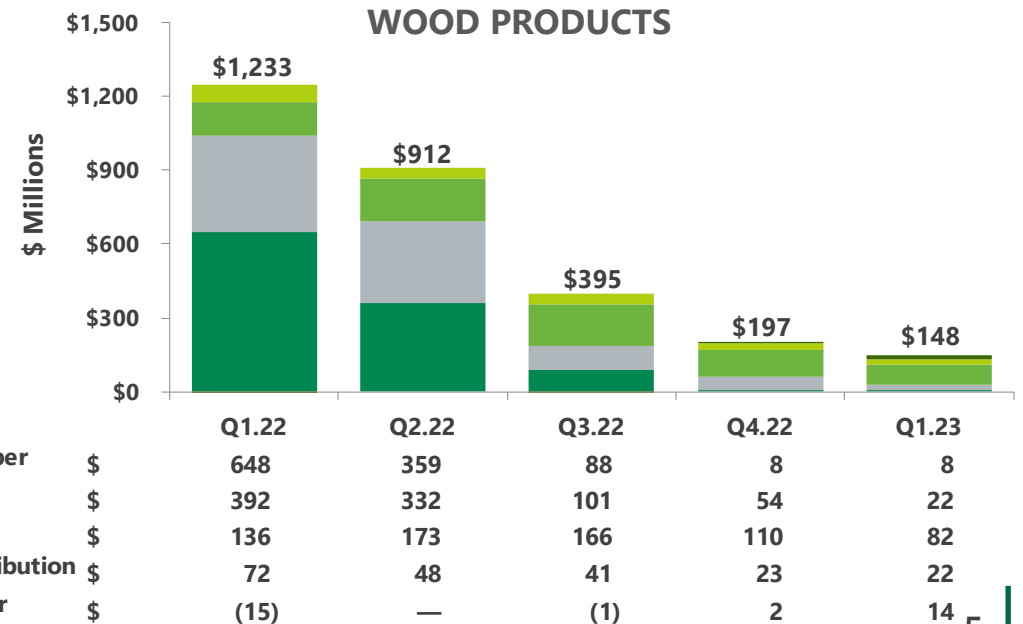
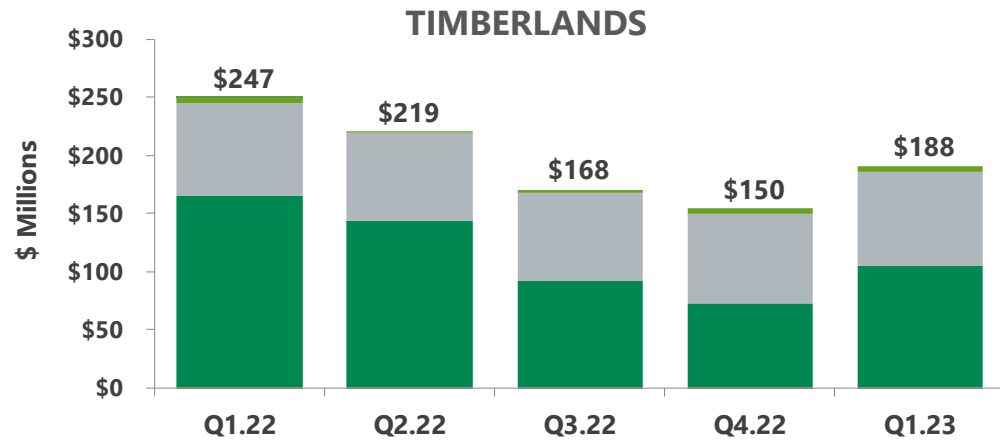
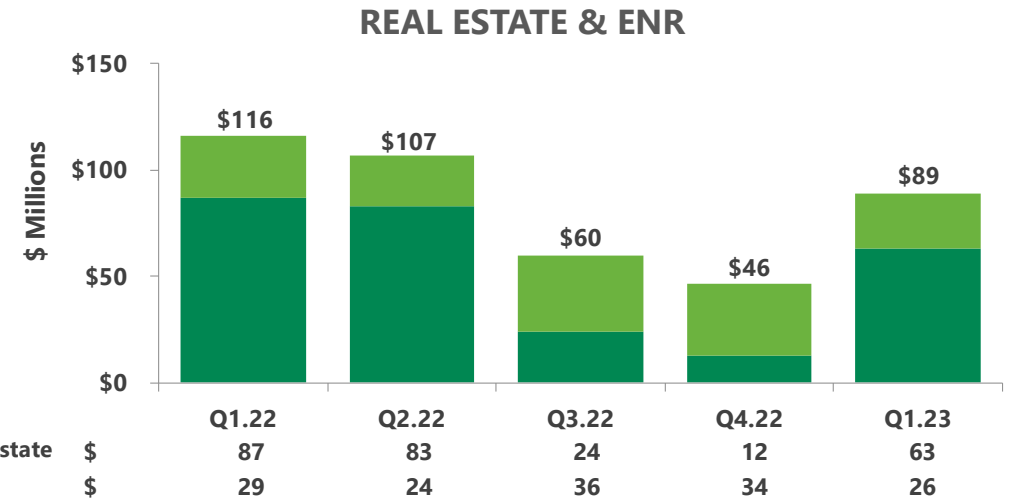
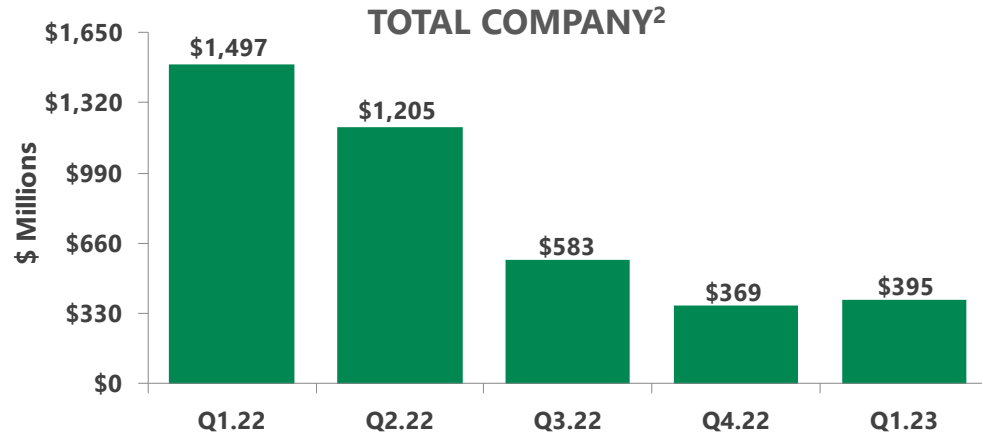
# EARNINGS BEFORE SPECIAL ITEMS

\$ Millions (except EPS)	2022 Q4			2023 Q1		
	Pretax Earnings	After-Tax Earnings	Diluted EPS	Pretax Earnings	After-Tax Earnings	Diluted EPS
<b>Earnings Before Special Items</b>	\$ 181	\$ 171	\$ 0.24	\$ 173	\$ 151	\$ 0.21
<b>Special Items:</b>						
Pension settlement charge	205	152	0.21	—	—	—
Restructuring, impairments and other charges <sup>1</sup>	10	8	0.01	—	—	—
<b>Total Special Items</b>	<b>215</b>	<b>160</b>	<b>0.22</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Earnings Including Special Items (GAAP)</b>	\$ (34)	\$ 11	\$ 0.02	\$ 173	\$ 151	\$ 0.21

1. During fourth quarter 2022, we recorded a \$10 million noncash impairment charge related to the planned divestiture of legacy coal assets.



# ADJUSTED EBITDA<sup>1</sup>



Region	Q1.22	Q2.22	Q3.22	Q4.22	Q1.23
West	\$ 165	\$ 144	\$ 92	\$ 72	\$ 105
South	\$ 80	\$ 75	\$ 75	\$ 77	\$ 81
North	\$ 4	\$ 2	\$ 3	\$ 5	\$ 4
Other	\$ (2)	\$ (2)	\$ (2)	\$ (4)	\$ (2)

1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 23](#), [Slide 24](#), [Slide 25](#), [Slide 26](#) and [Slide 27](#).  
 2. Total Company Adjusted EBITDA includes Timberlands; Real Estate, Energy & Natural Resources; Wood Products and Unallocated.

# TIMBERLANDS SEGMENT

TIMBERLANDS (\$ Millions)	2022	2023
<b>Adjusted EBITDA by Region</b>	<b>Q4</b>	<b>Q1</b>
West	\$ 72	\$ 105
South	77	81
North	5	4
Other	(4)	(2)
<b>Total Adjusted EBITDA<sup>1</sup></b>	<b>\$ 150</b>	<b>\$ 188</b>

1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 24](#).
2. Adjusted EBITDA divided by total sales.
3. Net contribution to earnings divided by total sales.

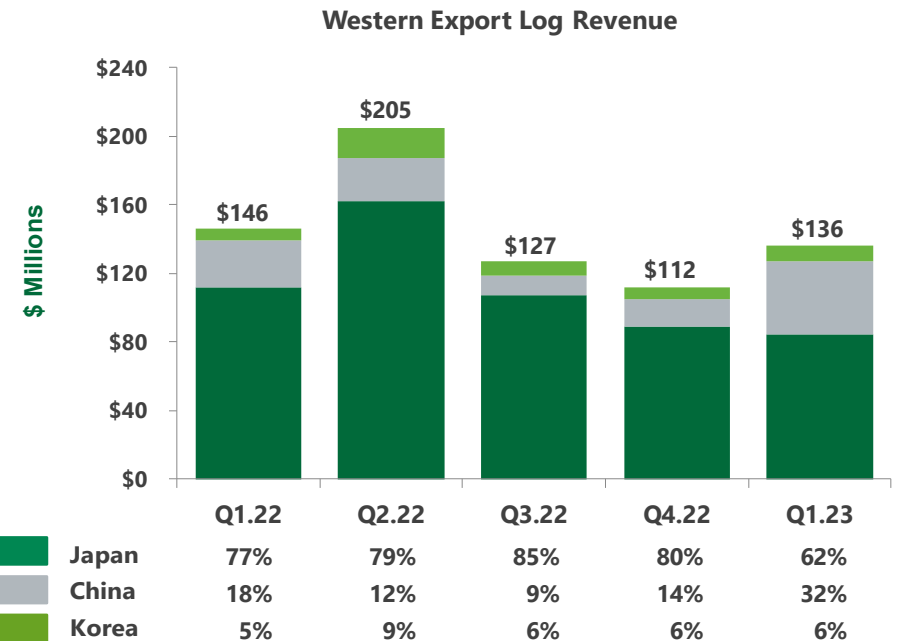
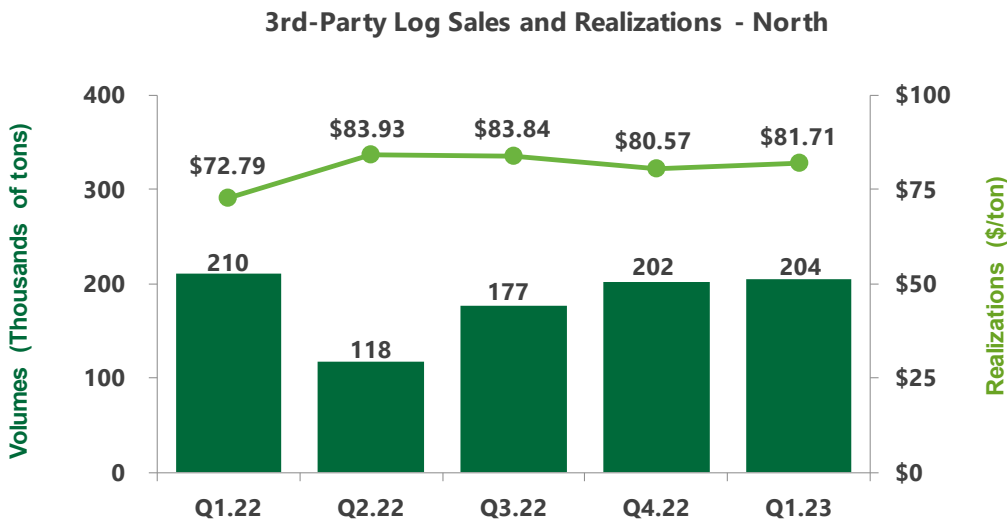
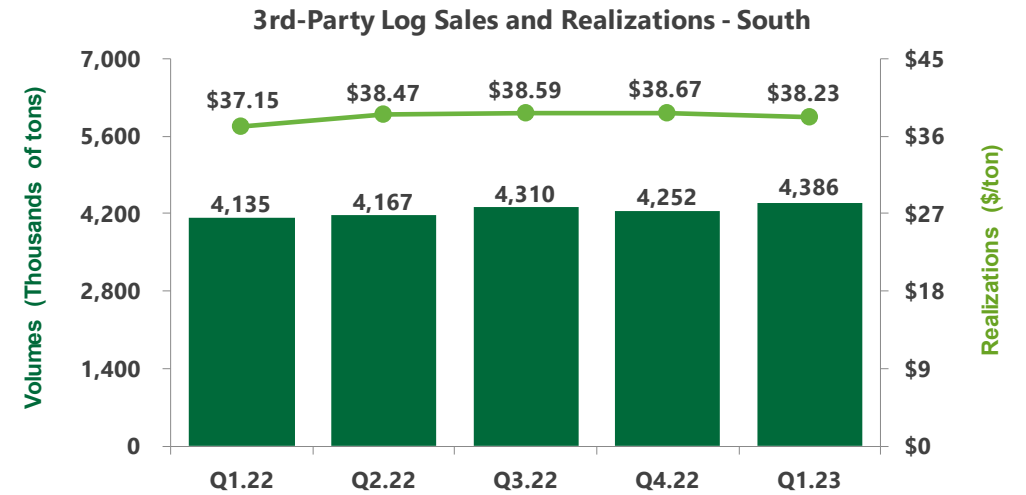
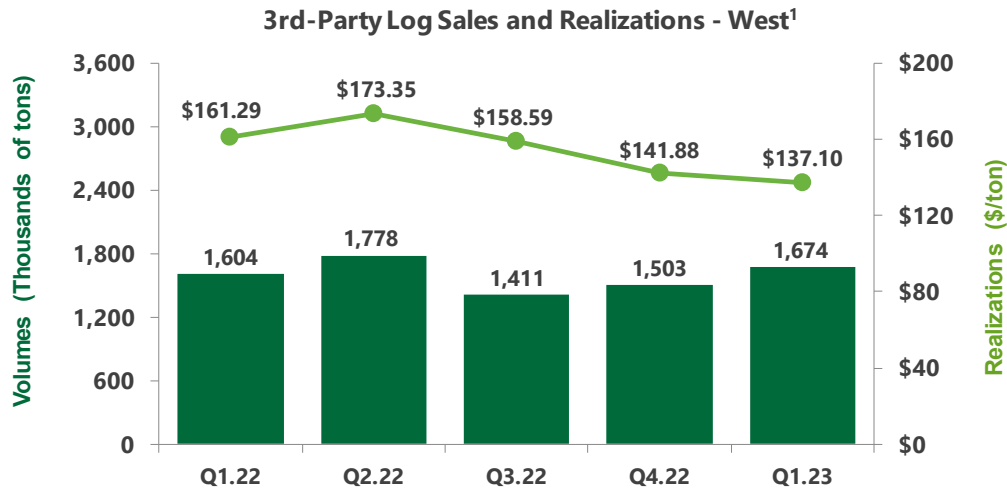
TIMBERLANDS (\$ Millions)	2022	2023
<b>Segment Statement of Operations</b>	<b>Q4</b>	<b>Q1</b>
Third-party sales	\$ 437	\$ 462
Intersegment sales	111	142
<b>Total Sales</b>	<b>548</b>	<b>604</b>
Costs of sales	436	461
<b>Gross margin</b>	<b>112</b>	<b>143</b>
SG&A expenses	25	25
Other expense (income), net	1	(2)
<b>Net Contribution to Earnings</b>	<b>\$ 86</b>	<b>\$ 120</b>
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$ 150</b>	<b>\$ 188</b>
<b>Adjusted EBITDA Margin Percentage<sup>2</sup></b>	<b>27%</b>	<b>31%</b>
<b>Operating Margin Percentage<sup>3</sup></b>	<b>16%</b>	<b>20%</b>



# TIMBERLANDS KEY DRIVERS: 2023 Q1 vs. 2022 Q4

REGION	KEY DRIVERS
WEST	<ul style="list-style-type: none"> <li>• <b>Fee Harvest Volumes:</b> Significantly higher, resulting from no work stoppage impacts, which affected one month of operations in 2022 Q4</li> <li>• <b>Sales Volumes:</b> Significantly higher, primarily for China</li> <li>• <b>Sales Realizations:</b> Lower, primarily for domestic and Japan, slightly higher for China</li> <li>• <b>Per Unit Log and Haul Costs:</b> Moderately lower</li> <li>• <b>Forestry and Road Costs:</b> Significantly lower, seasonal</li> </ul>
SOUTH	<ul style="list-style-type: none"> <li>• <b>Fee Harvest Volumes:</b> Slightly higher</li> <li>• <b>Sales Realizations:</b> Comparable</li> <li>• <b>Per Unit Log and Haul Costs:</b> Slightly lower</li> <li>• <b>Forestry and Road Costs:</b> Slightly higher</li> </ul>
NORTH	<ul style="list-style-type: none"> <li>• <b>Sales Volumes:</b> Comparable</li> <li>• <b>Sales Realizations:</b> Comparable</li> </ul>

# SALES VOLUMES, REALIZATIONS AND EXPORT REVENUE

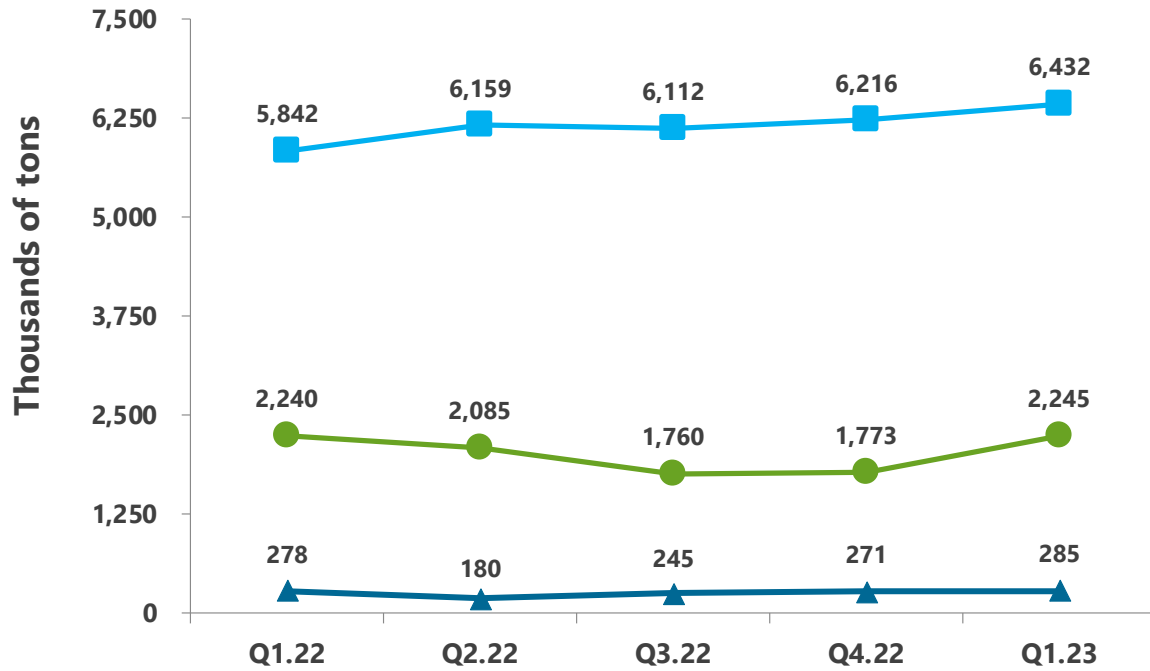


1. Western logs are primarily transacted in MBF but are converted to ton equivalents for external reporting purposes.

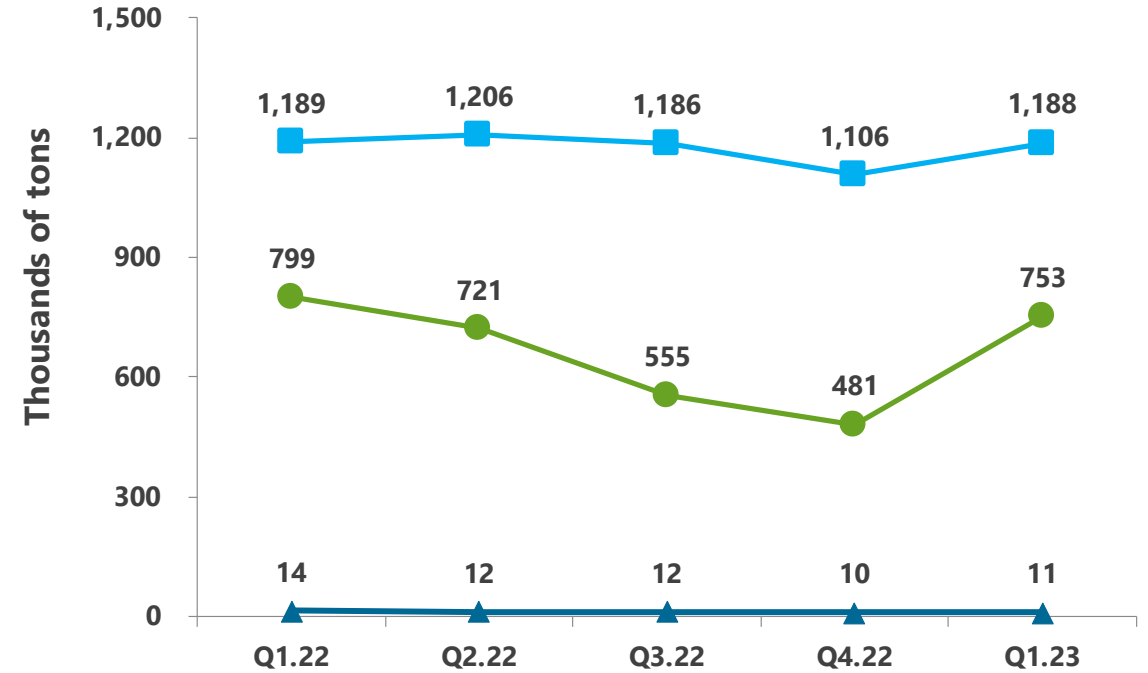


# FEE HARVEST VOLUMES AND INTERSEGMENT SALES VOLUMES

## FEE HARVEST VOLUMES<sup>1</sup>



## INTERSEGMENT LOG SALES VOLUMES<sup>1</sup>



■ South ● West ▲ North

1. During the third and fourth quarter of 2022, fee harvest volumes and intersegment log sales volumes in the West were affected by the work stoppage in Washington and Oregon that was resolved on October 28, 2022.

# REAL ESTATE, ENERGY & NATURAL RESOURCES (ENR) SEGMENT

REAL ESTATE & ENR (\$ Millions)	2022	2023
<b>Adjusted EBITDA by Business</b>	<b>Q4</b>	<b>Q1</b>
Real Estate	\$ 12	\$ 63
Energy & Natural Resources	34	26
<b>Total Adjusted EBITDA<sup>1</sup></b>	<b>\$ 46</b>	<b>\$ 89</b>

## KEY DRIVERS: 2023 Q1 vs. 2022 Q4

### Real Estate

Significantly higher acres sold

### ENR

Decrease in royalty income

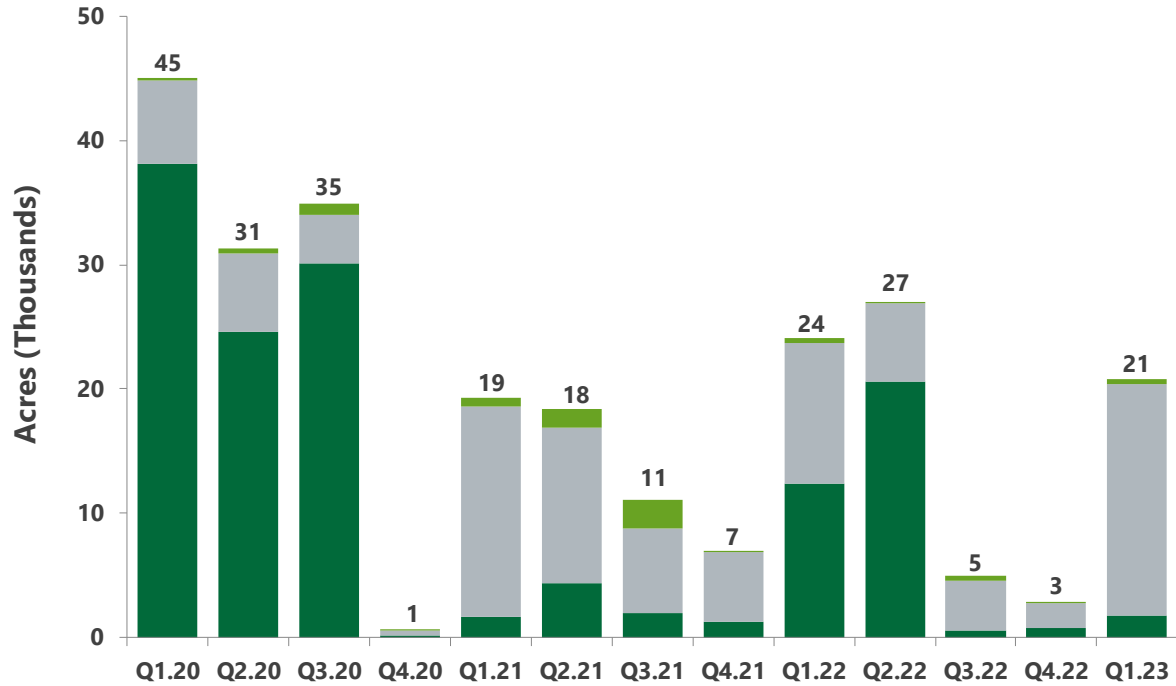
1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 25](#).
2. Fourth quarter 2022 excludes a \$10 million noncash impairment charge related to the planned divestiture of legacy coal assets.

REAL ESTATE & ENR (\$ Millions)	2022	2023
<b>Segment Statement of Operations</b>	<b>Q4</b>	<b>Q1</b>
<b>Total sales</b>	<b>\$ 55</b>	<b>\$ 101</b>
Costs of sales	13	41
<b>Gross margin</b>	<b>42</b>	<b>60</b>
SG&A expenses	8	7
<b>Net Contribution to Earnings Before Special Items</b>	<b>\$ 34</b>	<b>\$ 53</b>
Special items, pretax <sup>2</sup>	(10)	—
<b>Net Contribution to Earnings</b>	<b>\$ 24</b>	<b>\$ 53</b>
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$ 46</b>	<b>\$ 89</b>



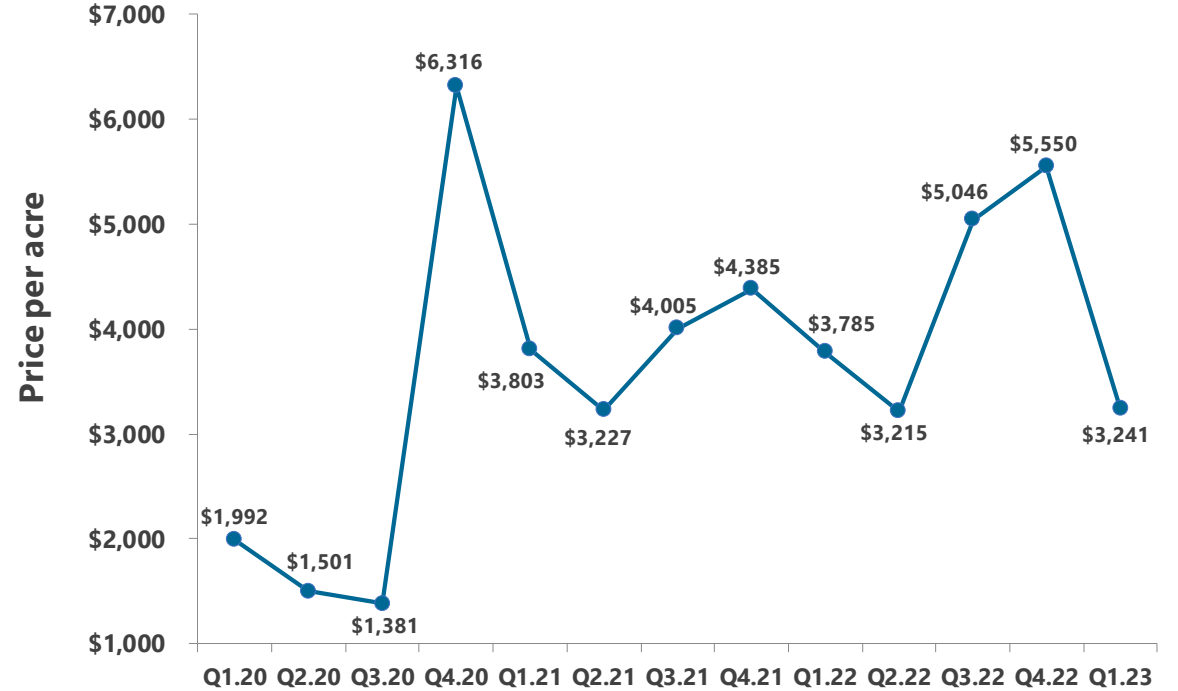
# REAL ESTATE, ENERGY & NATURAL RESOURCES (ENR) SEGMENT

## ACRES SOLD



	Q1.20	Q2.20	Q3.20	Q4.20	Q1.21	Q2.21	Q3.21	Q4.21	Q1.22	Q2.22	Q3.22	Q4.22	Q1.23
West	85%	79%	86%	26%	9%	24%	18%	18%	51%	77%	12%	28%	8%
South	15%	20%	11%	54%	87%	68%	62%	81%	47%	23%	79%	72%	90%
North	—%	1%	3%	20%	4%	8%	20%	1%	2%	—%	9%	—%	2%

## AVERAGE PRICE PER ACRE



# WOOD PRODUCTS SEGMENT

WOOD PRODUCTS (\$ Millions)	2022	2023
<b>Adjusted EBITDA by Business</b>	<b>Q4</b>	<b>Q1</b>
Lumber	\$ 8	\$ 8
OSB	54	22
Engineered Wood Products	110	82
Distribution	23	22
Other	2	14
<b>Total Adjusted EBITDA<sup>1</sup></b>	<b>\$ 197</b>	<b>\$ 148</b>

1. Adjusted EBITDA for Wood Products businesses include earnings on internal sales, primarily from the manufacturing businesses to Distribution. These sales occur at market price. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 26](#).

2. Adjusted EBITDA divided by total sales.

3. Net contribution to earnings divided by total sales.

WOOD PRODUCTS (\$ Millions)	2022	2023
<b>Segment Statement of Operations</b>	<b>Q4</b>	<b>Q1</b>
<b>Total sales</b>	<b>\$ 1,331</b>	<b>\$ 1,318</b>
Costs of sales	1,116	1,159
<b>Gross margin</b>	<b>215</b>	<b>159</b>
SG&A expenses	58	58
Other expense, net	10	6
<b>Net Contribution to Earnings</b>	<b>\$ 147</b>	<b>\$ 95</b>
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$ 197</b>	<b>\$ 148</b>
<b>Adjusted EBITDA Margin Percentage<sup>2</sup></b>	<b>15%</b>	<b>11%</b>
<b>Operating Margin Percentage<sup>3</sup></b>	<b>11%</b>	<b>7%</b>

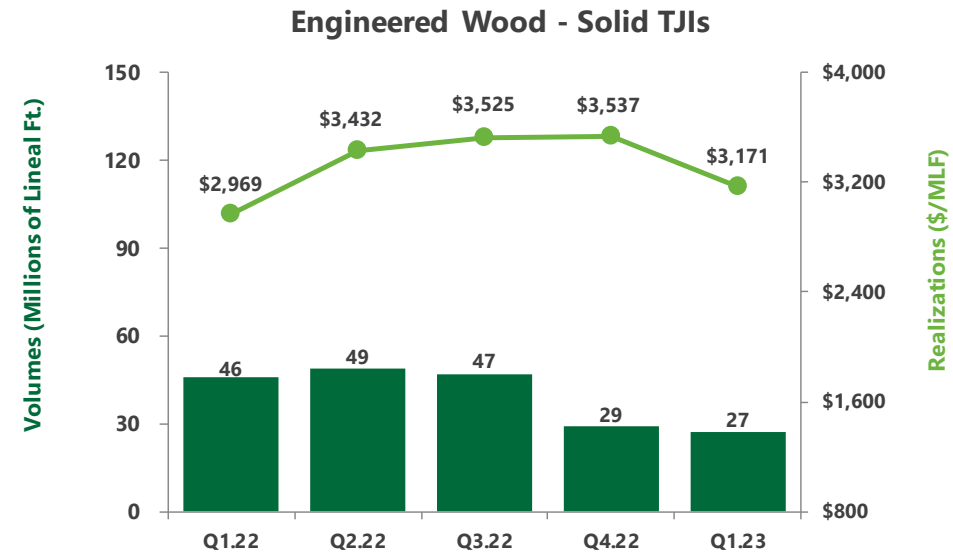
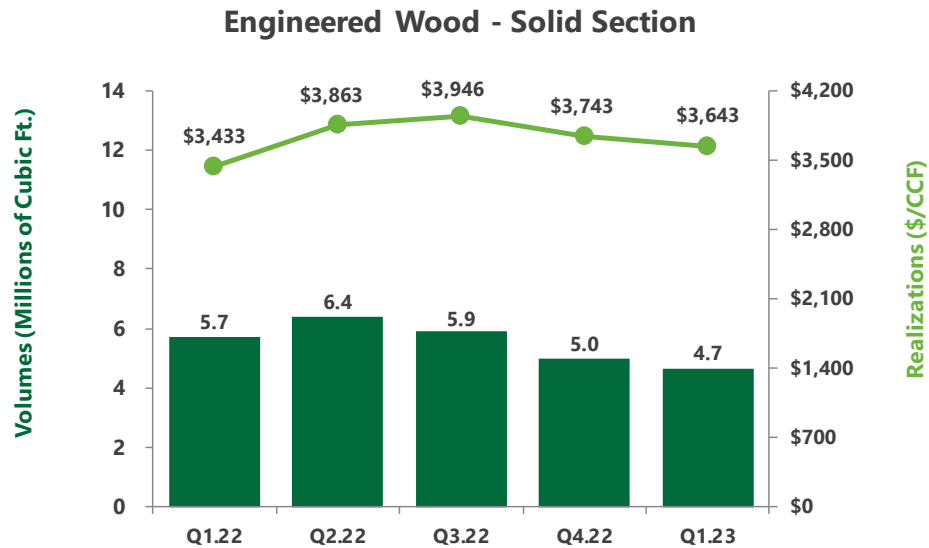
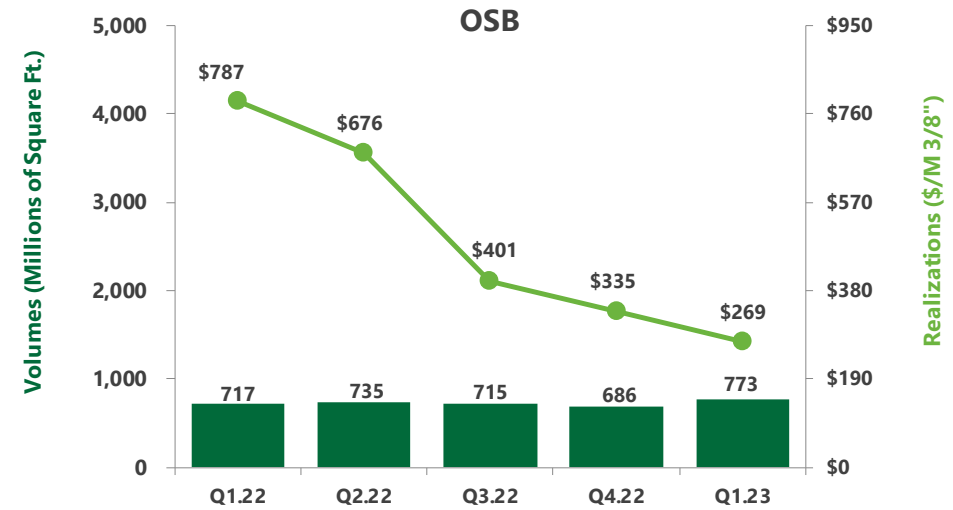
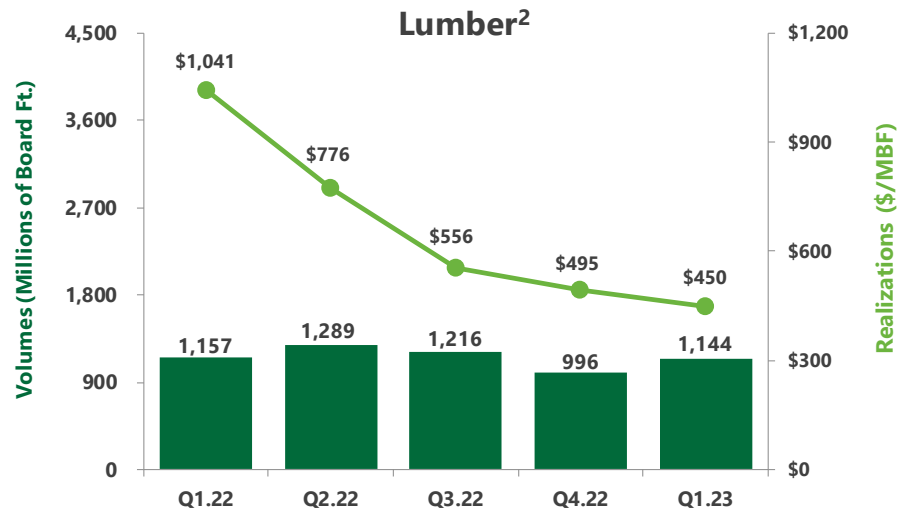


# WOOD PRODUCTS KEY DRIVERS: 2023 Q1 vs. 2022 Q4

BUSINESS	KEY DRIVERS
<b>LUMBER</b>	<ul style="list-style-type: none"> <li>• <b>Sales Realizations:</b> Decreased 9%</li> <li>• <b>Sales and Production Volumes:</b> Significantly higher, resulting from no work stoppage impacts at Northwest mills, which affected one month of operations in 2022 Q4</li> <li>• <b>Unit Manufacturing Costs:</b> Significantly lower</li> <li>• <b>Log Costs:</b> Comparable</li> </ul>
<b>ORIENTED STRAND BOARD</b>	<ul style="list-style-type: none"> <li>• <b>Sales Realizations:</b> Decreased 20%</li> <li>• <b>Sales Volumes:</b> Significantly higher, resulting from increased production and improved transportation networks</li> <li>• <b>Unit Manufacturing Costs:</b> Moderately lower</li> <li>• <b>Fiber Costs:</b> Moderately lower</li> </ul>
<b>ENGINEERED WOOD PRODUCTS</b>	<ul style="list-style-type: none"> <li>• <b>Sales Realizations:</b> Lower for most products, softening demand</li> <li>• <b>Sales and Production Volumes:</b> Lower for most products, softening demand</li> <li>• <b>Unit Manufacturing Costs:</b> Comparable</li> <li>• <b>Raw Material Costs:</b> Lower, primarily for OSB webstock</li> </ul>
<b>DISTRIBUTION</b>	<ul style="list-style-type: none"> <li>• Comparable</li> </ul>



# THIRD-PARTY SALES VOLUMES AND REALIZATIONS<sup>1</sup>



1. Sales volumes include sales of internally produced products and products purchased for resale primarily through our Distribution business.
2. During the third and fourth quarter of 2022, lumber sales volumes were affected by the work stoppage in Washington and Oregon that was resolved on October 28, 2022.

# UNALLOCATED ITEMS

UNALLOCATED ITEMS (\$ Millions) <sup>1</sup>	2022	2023
	Q4	Q1
Unallocated corporate function expenses and variable compensation expense	\$ (36)	\$ (27)
Liability classified share-based compensation	(1)	—
Foreign exchange (losses) gains	(2)	(1)
Elimination of intersegment profit in inventory and LIFO	18	9
Non-operating pension and other post-employment benefit costs <sup>2</sup>	(11)	(9)
Other, including interest income	12	(1)
<b>Net Charge to Earnings Before Special Items</b>	<b>\$ (20)</b>	<b>\$ (29)</b>
Special items, pretax <sup>2</sup>	(205)	—
<b>Net Charge to Earnings</b>	<b>\$ (225)</b>	<b>\$ (29)</b>
<b>Adjusted EBITDA<sup>3</sup></b>	<b>\$ (24)</b>	<b>\$ (30)</b>

UNALLOCATED ITEMS (\$ Millions) <sup>1</sup>	2022	2023
	Q4	Q1
Costs of sales <sup>4</sup>	\$ 20	\$ 7
G&A expense <sup>5</sup>	(35)	(33)
Other expense, net	(5)	(3)
<b>Net Charge to Earnings Before Special Items</b>	<b>\$ (20)</b>	<b>\$ (29)</b>
Special items, pretax <sup>2</sup>	(205)	—
<b>Net Charge to Earnings</b>	<b>\$ (225)</b>	<b>\$ (29)</b>

1. Unallocated items are gains or charges not related to or allocated to an individual operating segment.
2. Fourth quarter 2022 excludes a \$205 million noncash settlement charge related to the transfer of pension assets and liabilities through the purchase of a group annuity contract.
3. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 27](#).
4. Costs of sales is composed primarily of elimination of intersegment profit in inventory and LIFO and incentive compensation.
5. G&A expense is comprised primarily of share-based compensation, pension service costs, corporate function expenses and incentive compensation.



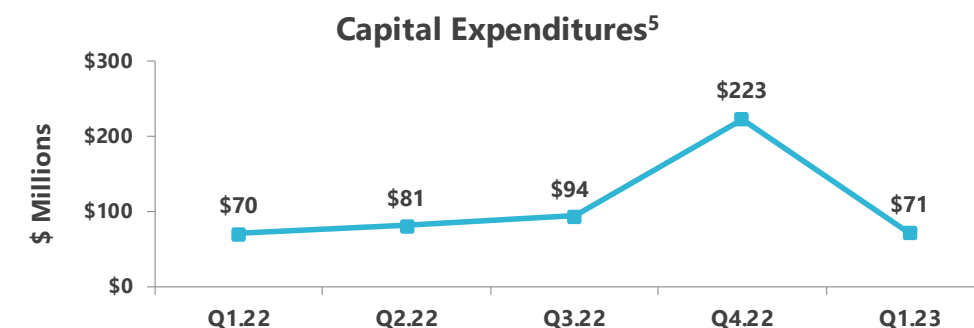
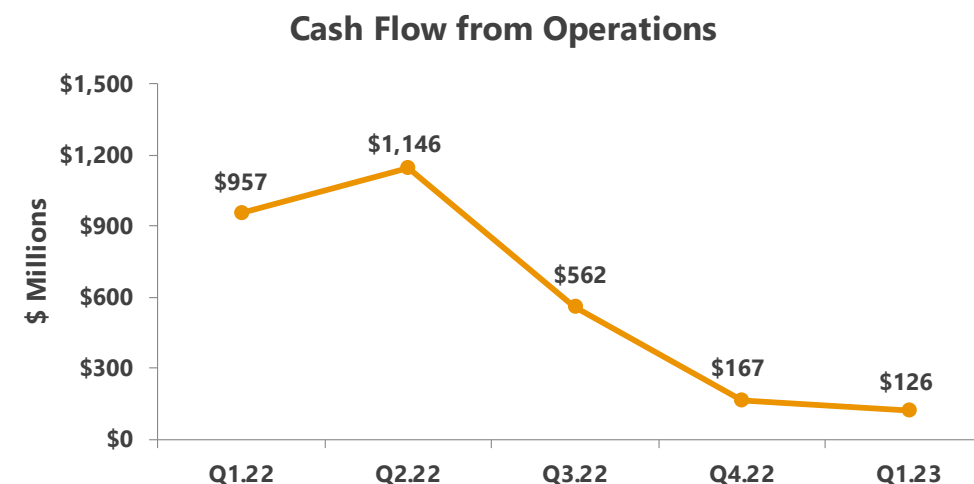
# FINANCIAL ITEMS

KEY FINANCIAL METRICS (\$ Millions)	2022		2023	
	Q4		Q1	
Ending Cash Balance	\$ 1,581	\$ 797		
Total Debt	\$ 5,053	\$ 5,053		
Net Debt to Adjusted EBITDA (LTM) <sup>1</sup>	1.0	1.7		
Net Debt to Enterprise Value <sup>2</sup>	13%	16%		

ADJUSTED FUNDS AVAILABLE FOR DISTRIBUTION (\$ Millions)	2023	
	Q1	
Net Cash from Operations	\$ 126	
Capital Expenditures	(71)	
<b>2023 Q1 Adjusted Funds Available for Distribution<sup>3</sup></b>	<b>\$ 55</b>	

SHARE REPURCHASES (\$ Millions)	2022		2023	
	Q4		Q1	
Share Repurchases <sup>4</sup>	\$ 146	\$ 35		

SCHEDULED DEBT MATURITIES AS OF MARCH 31, 2023 (\$ Millions)	2023	2024	2025	2026	2027
	Debt Maturities	\$ 978	\$ —	\$ 210	\$ 272



2022: \$468 million

2023 Q1: \$71 million

1. LTM = last twelve months. A reconciliation to GAAP is set forth on [Slide 28](#).
2. Total debt, net of cash and cash equivalents, divided by enterprise value. Enterprise value is defined as total debt, net of cash and cash equivalents, plus market capitalization as of the end of the quarter.
3. Our definition of Adjusted funds available for distribution (Adjusted FAD) and a reconciliation to GAAP are set forth on [Slide 29](#).
4. Average price paid per share for fourth quarter 2022 and first quarter 2023 were \$30.76 and \$31.25, respectively. There were 27,139 unsettled shares (approximately \$1 million) as of March 31, 2023 and 223,548 unsettled shares (approximately \$7 million) as of December 31, 2022.
5. Total capital expenditures is inclusive of capitalized interest.





# ADJUSTED FUNDS AVAILABLE FOR DISTRIBUTION

## Allocation Framework and Cash Return Calculation

### ADJUSTED FUNDS AVAILABLE FOR DISTRIBUTION<sup>1</sup>

#### Allocation Framework

Return 75-80% of Adjusted FAD to Shareholders



#### SUSTAINABLE BASE DIVIDEND

supported by Timberlands and Real Estate & ENR cash flow, even at the bottom of the cycle



#### SUPPLEMENTAL DIVIDEND<sup>2</sup> AND/OR SHARE REPURCHASE

to achieve targeted return of 75-80% of annual Adjusted FAD

20-25% of Adjusted FAD



#### EXCESS CASH

available for growth, debt paydown and additional share repurchase

### TARGETED RETURN OF CASH TO SHAREHOLDERS

Calculated on an Annual Basis

Adjusted FAD

✘ 75-80% Payout

≡ Targeted Return to Shareholders

— Quarterly Base Cash Dividends

≡ Cash Available for Allocation Between  
Supplemental Dividend<sup>2</sup> and/or  
Opportunistic Share Repurchase

To Achieve  
75-80%  
Payout

1. Our definition of Adjusted funds available for distribution (Adjusted FAD) is set forth on [Slide 29](#).
2. Normally declared and paid annually in the first quarter, based on prior year results.

# OUTLOOK: 2023 Q2

SEGMENT	EXPECTED EARNINGS <sup>1</sup> & ADJUSTED EBITDA	KEY DRIVERS		
TIMBERLANDS	Approximately \$20 million lower than 2023 Q1	<b>West</b> <b>Fee Harvest Volumes:</b> Moderately higher <b>Sales Realizations:</b> Moderately lower <b>Per Unit Log and Haul Costs:</b> Significantly lower <b>Forestry and Road Costs:</b> Significantly higher, seasonal	<b>South</b> <b>Fee Harvest Volumes:</b> Comparable <b>Sales Realizations:</b> Slightly lower <b>Per Unit Log and Haul Costs:</b> Slightly lower <b>Forestry and Road Costs:</b> Significantly higher, seasonal	<b>North</b> <b>Fee Harvest Volumes:</b> Significantly lower, seasonal <b>Sales Realizations:</b> Slightly lower
REAL ESTATE, ENERGY & NATURAL RESOURCES	Earnings comparable to 2023 Q1 Adjusted EBITDA approximately \$20 million lower than 2023 Q1	<b>Real Estate</b> Timing and mix of sales		
WOOD PRODUCTS	Slightly higher than 2023 Q1, excluding the effect of changes in average sales realizations for lumber and oriented strand board	<b>Lumber</b> <b>Sales Volumes:</b> Higher <b>Log Costs:</b> Moderately lower <b>Unit Manufacturing Costs:</b> Moderately lower	<b>OSB</b> <b>Sales Volumes:</b> Comparable <b>Fiber Costs:</b> Slightly lower <b>Unit Manufacturing Costs:</b> Moderately higher	<b>Engineered Wood Products</b> <b>Sales Volumes:</b> Significantly higher for most products <b>Sales Realizations:</b> Moderately lower <b>Raw Material Costs:</b> Moderately lower for most products <b>Distribution</b> Higher sales volumes



1. Earnings before special items.



# WOOD PRODUCTS SALES REALIZATIONS: CURRENT VS. 2023 Q1

## WEYERHAEUSER'S AVERAGE SALES REALIZATIONS

Approximate Change  
As of April 21, 2023

LUMBER <sup>1</sup>				<b>WY's SENSITIVITY</b> CHANGE IN REALIZATIONS <b>\$10/MBF</b> ≈ \$50 million EBITDA ANNUALLY
	<b>Q2 QTD vs. Q1 AVERAGE</b>		<b>+\$35/MBF HIGHER</b>	
	<b>CURRENT vs. Q1 AVERAGE</b>		<b>+\$35/MBF HIGHER</b>	
OSB <sup>2</sup>				<b>WY's SENSITIVITY</b> CHANGE IN REALIZATIONS <b>\$10/MSF</b> ≈ \$30 million EBITDA ANNUALLY
	<b>Q2 QTD vs. Q1 AVERAGE</b>		<b>+\$5/MSF HIGHER</b>	
	<b>CURRENT vs. Q1 AVERAGE</b>		<b>+\$5/MSF HIGHER</b>	

- Changes in average realizations typically lag changes in industry benchmark pricing due to length of order files.
- WY reports OSB realizations in MSF 3/8". Changes in average realizations typically lag changes in industry benchmark pricing due to length of order files.

# SUPPLEMENTAL TIMBERLANDS INFORMATION

## Adjusted EBITDA<sup>1</sup> Per Acre

WESTERN TIMBERLANDS	2021	2022	2023
	FY	FY	Q1
Adjusted EBITDA <sup>1</sup> (\$ Millions)	\$ 387	\$ 473	\$ 105
Acres <sup>2</sup> (Thousands)	2,577	2,546	2,546
<b>Reported Adjusted EBITDA Per Acre</b>	<b>\$ 150</b>	<b>\$ 186</b>	<b>\$ 41</b>
Adjusted EBITDA attributable to Western ENR <sup>3</sup> (\$ Millions)	17	20	4
<b>Total Adjusted EBITDA Per Acre<sup>4</sup></b>	<b>\$ 157</b>	<b>\$ 194</b>	<b>\$ 43</b>

SOUTHERN TIMBERLANDS	2021	2022	2023
	FY	FY	Q1
Adjusted EBITDA <sup>1</sup> (\$ Millions)	\$ 301	\$ 307	\$ 81
Acres <sup>2</sup> (Thousands)	6,776	6,823	6,823
<b>Reported Adjusted EBITDA Per Acre</b>	<b>\$ 44</b>	<b>\$ 45</b>	<b>\$ 12</b>
Adjusted EBITDA attributable to Southern ENR <sup>3</sup> (\$ Millions)	62	92	20
<b>Total Adjusted EBITDA Per Acre<sup>4</sup></b>	<b>\$ 54</b>	<b>\$ 58</b>	<b>\$ 15</b>

1. Our definition of Adjusted EBITDA is set forth on [Slide 23](#).
2. As of year end for 2021 and 2022. For 2023 Q1, as of year end 2022.
3. Reported in the company's Real Estate, Energy & Natural Resources segment.
4. To improve comparability with peer disclosures, amounts shown include Adjusted EBITDA from both Timberlands and Energy & Natural Resources businesses.



# EARNINGS SUMMARY

\$ Millions (except EPS)	2022				2023
	Q1	Q2	Q3	Q4	Q1
<b>Adjusted EBITDA by Segment</b>					
Timberlands	\$ 247	\$ 219	\$ 168	\$ 150	\$ 188
Real Estate, Energy & Natural Resources	116	107	60	46	89
Wood Products	1,233	912	395	197	148
Unallocated Items	(99)	(33)	(40)	(24)	(30)
<b>Total Adjusted EBITDA<sup>1</sup></b>	<b>\$ 1,497</b>	<b>\$ 1,205</b>	<b>\$ 583</b>	<b>\$ 369</b>	<b>\$ 395</b>
DD&A, basis of real estate sold, non-operating pension and post-employment costs, and interest income and other	(169)	(168)	(129)	(121)	(156)
<b>Net Contribution to Earnings Before Special Items</b>	<b>\$ 1,328</b>	<b>\$ 1,037</b>	<b>\$ 454</b>	<b>\$ 248</b>	<b>\$ 239</b>
Interest expense, net	(72)	(65)	(67)	(66)	(66)
Income taxes <sup>2</sup>	(278)	(184)	(77)	(11)	(22)
<b>Net Earnings Before Special Items<sup>3</sup></b>	<b>\$ 978</b>	<b>\$ 788</b>	<b>\$ 310</b>	<b>\$ 171</b>	<b>\$ 151</b>
Special items, after-tax <sup>2</sup>	(207)	—	—	(160)	—
<b>Net Earnings</b>	<b>\$ 771</b>	<b>\$ 788</b>	<b>\$ 310</b>	<b>\$ 11</b>	<b>\$ 151</b>
<b>Diluted EPS Before Special Items<sup>3</sup></b>	<b>\$ 1.31</b>	<b>\$ 1.06</b>	<b>\$ 0.42</b>	<b>\$ 0.24</b>	<b>\$ 0.21</b>
<b>Diluted EPS</b>	<b>\$ 1.03</b>	<b>\$ 1.06</b>	<b>\$ 0.42</b>	<b>\$ 0.02</b>	<b>\$ 0.21</b>

1. See [Slide 23](#) for our definition of Adjusted EBITDA.
2. Income taxes excludes taxes related to special items.
3. A reconciliation to GAAP EPS is set forth on [Slide 22](#).



# EARNINGS PER SHARE RECONCILIATION

	2022				2023
	Q1	Q2	Q3	Q4	Q1
<b>Diluted EPS Before Special Items</b>	\$ 1.31	\$ 1.06	\$ 0.42	\$ 0.24	\$ 0.21
Special Items:					
Loss on debt extinguishment	(0.28)	—	—	—	—
Pension settlement charge	—	—	—	(0.21)	—
Restructuring, impairments, and other charges	—	—	—	(0.01)	—
<b>Diluted EPS (GAAP)</b>	\$ 1.03	\$ 1.06	\$ 0.42	\$ 0.02	\$ 0.21



# ADJUSTED EBITDA RECONCILIATION

## By Segment

\$ Millions	2020		2021		2022				2023	
	FY	FY	Q1	Q2	Q3	Q4	FY	Q1	LTM <sup>1</sup>	
Timberlands	\$ 610	\$ 693	\$ 247	\$ 219	\$ 168	\$ 150	\$ 784	\$ 188	\$ 725	
Real Estate & ENR	241	296	116	107	60	46	329	89	302	
Wood Products	1,527	3,357	1,233	912	395	197	2,737	148	1,652	
Unallocated Items	(177)	(252)	(99)	(33)	(40)	(24)	(196)	(30)	(127)	
<b>Adjusted EBITDA<sup>2</sup></b>	<b>\$ 2,201</b>	<b>\$ 4,094</b>	<b>\$ 1,497</b>	<b>\$ 1,205</b>	<b>\$ 583</b>	<b>\$ 369</b>	<b>\$ 3,654</b>	<b>\$ 395</b>	<b>\$ 2,552</b>	
Depletion, depreciation & amortization	(472)	(477)	(122)	(119)	(119)	(120)	(480)	(126)	(484)	
Basis of real estate sold	(141)	(71)	(31)	(39)	(7)	(7)	(84)	(33)	(86)	
Special items in operating income	122	97	—	—	—	(10)	(10)	—	(10)	
<b>Operating Income (GAAP)</b>	<b>\$ 1,710</b>	<b>\$ 3,643</b>	<b>\$ 1,344</b>	<b>\$ 1,047</b>	<b>\$ 457</b>	<b>\$ 232</b>	<b>\$ 3,080</b>	<b>\$ 236</b>	<b>\$ 1,972</b>	
Non-operating pension and other post-employment benefit costs	(290)	(19)	(15)	(11)	(12)	(216)	(254)	(9)	(248)	
Interest income and other	5	5	(1)	1	9	16	25	12	38	
<b>Net Contribution to Earnings</b>	<b>\$ 1,425</b>	<b>\$ 3,629</b>	<b>\$ 1,328</b>	<b>\$ 1,037</b>	<b>\$ 454</b>	<b>\$ 32</b>	<b>\$ 2,851</b>	<b>\$ 239</b>	<b>\$ 1,762</b>	
Interest expense, net	(351)	(313)	(72)	(65)	(67)	(66)	(270)	(66)	(264)	
Loss on debt extinguishment	(92)	—	(276)	—	—	—	(276)	—	—	
Income taxes	(185)	(709)	(209)	(184)	(77)	45	(425)	(22)	(238)	
<b>Net Earnings (GAAP)</b>	<b>\$ 797</b>	<b>\$ 2,607</b>	<b>\$ 771</b>	<b>\$ 788</b>	<b>\$ 310</b>	<b>\$ 11</b>	<b>\$ 1,880</b>	<b>\$ 151</b>	<b>\$ 1,260</b>	

1. LTM = last twelve months.

2. Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Adjusted EBITDA, as we define it, is operating income adjusted for depreciation, depletion, amortization, basis of real estate sold and special items. Adjusted EBITDA should not be considered in isolation from, and is not intended to represent an alternative to, our GAAP results.



# ADJUSTED EBITDA RECONCILIATION

## Timberlands

\$ Millions	2022				2023
	Q1	Q2	Q3	Q4	Q1
West	\$ 165	\$ 144	\$ 92	\$ 72	\$ 105
South	80	75	75	77	81
North	4	2	3	5	4
Other	(2)	(2)	(2)	(4)	(2)
<b>Total Timberlands Adjusted EBITDA<sup>1</sup></b>	<b>\$ 247</b>	<b>\$ 219</b>	<b>\$ 168</b>	<b>\$ 150</b>	<b>\$ 188</b>
West	(28)	(26)	(24)	(23)	(28)
South	(35)	(37)	(36)	(38)	(38)
North	(2)	(2)	(1)	(3)	(2)
Other	—	(1)	—	—	—
Total depletion, depreciation & amortization	\$ (65)	\$ (66)	\$ (61)	\$ (64)	\$ (68)
<b>Operating Income and Net Contribution to Earnings (GAAP)</b>	<b>\$ 182</b>	<b>\$ 153</b>	<b>\$ 107</b>	<b>\$ 86</b>	<b>\$ 120</b>

1. Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Adjusted EBITDA, as we define it, is operating income adjusted for depreciation, depletion, amortization, basis of real estate sold and special items. Adjusted EBITDA should not be considered in isolation from, and is not intended to represent an alternative to, our GAAP results.





# ADJUSTED EBITDA RECONCILIATION

## Real Estate, Energy & Natural Resources

\$ Millions	2022				2023
	Q1	Q2	Q3	Q4	Q1
Real Estate	\$ 87	\$ 83	\$ 24	\$ 12	\$ 63
Energy & Natural Resources	29	24	36	34	26
<b>Total Real Estate &amp; ENR Adjusted EBITDA<sup>1</sup></b>	<b>\$ 116</b>	<b>\$ 107</b>	<b>\$ 60</b>	<b>\$ 46</b>	<b>\$ 89</b>
Depletion, depreciation & amortization	(4)	(3)	(5)	(5)	(3)
Basis of real estate sold	(31)	(39)	(7)	(7)	(33)
Special items	—	—	—	(10)	—
<b>Operating Income and Net Contribution to Earnings (GAAP)</b>	<b>\$ 81</b>	<b>\$ 65</b>	<b>\$ 48</b>	<b>\$ 24</b>	<b>\$ 53</b>

1. Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Adjusted EBITDA, as we define it, is operating income adjusted for depreciation, depletion, amortization, basis of real estate sold and special items. Adjusted EBITDA should not be considered in isolation from, and is not intended to represent an alternative to, our GAAP results.



# ADJUSTED EBITDA RECONCILIATION

## Wood Products

\$ Millions	2022				2023
	Q1	Q2	Q3	Q4	Q1
Lumber	\$ 648	\$ 359	\$ 88	\$ 8	\$ 8
OSB	392	332	101	54	22
EWP	136	173	166	110	82
Distribution	72	48	41	23	22
Other	(15)	—	(1)	2	14
<b>Total Wood Products Adjusted EBITDA<sup>1,2</sup></b>	<b>\$ 1,233</b>	<b>\$ 912</b>	<b>\$ 395</b>	<b>\$ 197</b>	<b>\$ 148</b>
Lumber	(28)	(27)	(28)	(29)	(30)
OSB	(9)	(10)	(10)	(10)	(10)
EWP	(10)	(9)	(10)	(10)	(9)
Distribution	(1)	(2)	(1)	(1)	(1)
Other	(3)	(1)	(2)	—	(3)
Total depletion, depreciation & amortization	\$ (51)	\$ (49)	\$ (51)	\$ (50)	\$ (53)
<b>Operating Income and Net Contribution to Earnings (GAAP)</b>	<b>\$ 1,182</b>	<b>\$ 863</b>	<b>\$ 344</b>	<b>\$ 147</b>	<b>\$ 95</b>

- Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Adjusted EBITDA, as we define it, is operating income adjusted for depreciation, depletion, amortization, basis of real estate sold and special items. Adjusted EBITDA should not be considered in isolation from, and is not intended to represent an alternative to, our GAAP results.
- Adjusted EBITDA for each Wood Products business includes earnings on internal sales, primarily from the manufacturing businesses to Distribution. These sales occur at market price.



# ADJUSTED EBITDA RECONCILIATION

## Unallocated

\$ Millions	2022				2023
	Q1	Q2	Q3	Q4	Q1
<b>Total Unallocated Adjusted EBITDA<sup>1</sup></b>	\$ (99)	\$ (33)	\$ (40)	\$ (24)	\$ (30)
Total depletion, depreciation & amortization	(2)	(1)	(2)	(1)	(2)
<b>Operating Loss (GAAP)</b>	\$ (101)	\$ (34)	\$ (42)	\$ (25)	\$ (32)
Non-operating pension and other post-employment benefit costs	(15)	(11)	(12)	(216)	(9)
Interest income and other	(1)	1	9	16	12
<b>Net Charge to Earnings (GAAP)</b>	\$ (117)	\$ (44)	\$ (45)	\$ (225)	\$ (29)

1. Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Adjusted EBITDA, as we define it, is operating income adjusted for depreciation, depletion, amortization, basis of real estate sold and special items. Adjusted EBITDA should not be considered in isolation from, and is not intended to represent an alternative to, our GAAP results.



# NET DEBT TO ADJUSTED EBITDA RECONCILIATION

\$ Millions	2022				2023
	Q1	Q2	Q3	Q4	Q1
<b>Net Debt to Adjusted EBITDA (LTM)<sup>1, 2</sup></b>	<b>0.9</b>	<b>0.8</b>	<b>0.8</b>	<b>1.0</b>	<b>1.7</b>
Total debt	\$ 5,053	\$ 5,053	\$ 5,053	\$ 5,053	\$ 5,053
Less: cash and cash equivalents	1,205	1,723	1,920	1,581	797
<b>Net Debt</b>	<b>\$ 3,848</b>	<b>\$ 3,330</b>	<b>\$ 3,133</b>	<b>\$ 3,472</b>	<b>\$ 4,256</b>
<b>Adjusted EBITDA (LTM)</b>	<b>\$ 4,490</b>	<b>\$ 4,122</b>	<b>\$ 3,959</b>	<b>\$ 3,654</b>	<b>\$ 2,552</b>
Depletion, depreciation & amortization	(481)	(480)	(481)	(480)	(484)
Basis of real estate sold	(75)	(90)	(86)	(84)	(86)
Special items in operating income	97	97	65	(10)	(10)
<b>Operating Income (LTM) (GAAP)</b>	<b>\$ 4,031</b>	<b>\$ 3,649</b>	<b>\$ 3,457</b>	<b>\$ 3,080</b>	<b>\$ 1,972</b>
Non-operating pension and other post-employment benefit costs	(26)	(36)	(43)	(254)	(248)
Interest income and other	3	2	10	25	38
<b>Net Contribution to Earnings (LTM)</b>	<b>\$ 4,008</b>	<b>\$ 3,615</b>	<b>\$ 3,424</b>	<b>\$ 2,851</b>	<b>\$ 1,762</b>
Interest expense, net of capitalized interest	(306)	(293)	(281)	(270)	(264)
Loss on debt extinguishment	(276)	(276)	(276)	(276)	—
Income taxes	(729)	(589)	(582)	(425)	(238)
<b>Net Earnings (LTM) (GAAP)</b>	<b>\$ 2,697</b>	<b>\$ 2,457</b>	<b>\$ 2,285</b>	<b>\$ 1,880</b>	<b>\$ 1,260</b>

1. LTM = last twelve months.

2. Net debt to Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Net debt to Adjusted EBITDA, as we define it, is long-term debt and borrowings on line of credit, net of cash and cash equivalents divided by the last twelve months of Adjusted EBITDA. See [Slide 23](#) for our definition of Adjusted EBITDA.



# FUNDS AVAILABLE FOR DISTRIBUTION RECONCILIATION

ADJUSTED FUNDS AVAILABLE FOR DISTRIBUTION (\$ Millions)	2020	2021	2022	2023
	FY	FY	FY	Q1
Net Cash from Operations	\$ 1,529	\$ 3,159	\$ 2,832	\$ 126
Capital Expenditures	(281)	(441)	(468)	(71)
<b>Funds Available for Distribution<sup>1</sup></b>	<b>\$ 1,248</b>	<b>\$ 2,718</b>	<b>\$ 2,364</b>	<b>\$ 55</b>
Cash from product remediation insurance recoveries	(8)	—	(37)	—
Cash tax refund associated with contribution to our U.S. qualified pension plan	—	(95)	—	—
<b>Adjusted Funds Available for Distribution<sup>2</sup></b>	<b>\$ 1,240</b>	<b>\$ 2,623</b>	<b>\$ 2,327</b>	<b>\$ 55</b>

1. Funds available for distribution (FAD) is a non-GAAP measure that management uses to evaluate the company's liquidity. FAD, as we define it, is net cash from operations adjusted for capital expenditures. FAD measures cash generated during the period (net of capital expenditures) that is available for dividends, repurchases of common shares, debt reduction, acquisitions, and other discretionary and nondiscretionary capital allocation activities. FAD should not be considered in isolation from, and is not intended to represent an alternative to, our GAAP results.
2. Adjusted funds available for distribution (Adjusted FAD) is a non-GAAP measure that management uses to evaluate the company's liquidity. Adjusted FAD, as we define it, is net cash from operations adjusted for capital expenditures and significant non-recurring items. Adjusted FAD measures cash generated during the period (net of capital expenditures and significant non-recurring items) that is available for dividends, repurchases of common shares, debt reduction, acquisitions, and other discretionary and nondiscretionary capital allocation activities. Adjusted FAD should not be considered in isolation from, and is not intended to represent an alternative to, our GAAP results.

