

2020

WEYERHAEUSER EARNINGS RESULTS

FOURTH QUARTER 2020 | January 29, 2021



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, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934, including, but not limited to, with respect to our outlook and expectations for 2021 concerning: earnings and Adjusted EBITDA for each of our businesses; log export sales volumes and domestic log sales realizations; forestry road expense and logging costs; fee harvest volumes in all our operating regions; manufacturing costs for our wood products business and sales volumes for our lumber and engineered wood products lines; basis of real estate sold; expected value of operational excellence improvements; interest expense; consolidated tax rate; non-operating pension and post-employment expense; cash contribution for pension and post-employment plans; and capital expenditures. Forward-looking statements are based on our current expectations and assumptions. The realization of our expectations and the accuracy of our assumptions are subject to a number of risks and uncertainties that are difficult to predict and often are beyond the company's control. These and other factors could cause one or more of our expectations to be unmet, one or more of our assumptions to be materially inaccurate or actual results to differ materially from those expressed or implied in our forward-looking statements, or all of the foregoing. Such uncertainties and other factors include, without limitation: the effect of general economic conditions, including employment rates, interest rate levels, 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 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; our operational excellence initiatives; 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 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 charges related to casualty losses; changes in accounting principles; and other risks and uncertainties identified in our 2019 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. 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.



2020 CONSOLIDATED RESULTS

\$ Millions	2019	2020	
Adjusted EBITDA	FY	FY	Change
Timberlands	\$ 680	\$ 610	\$ (70)
Real Estate, Energy & Natural Resources	274	241	(33)
Wood Products	476	1,527	1,051
Unallocated Items	(154)	(177)	(23)
Total Adjusted EBITDA¹	\$ 1,276	\$ 2,201	\$ 925
Net Contribution to Earnings Before Special Items	\$ 619	\$ 1,556	\$ 937

1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 22](#).
2. Includes other operating (costs) income, net; non-operating pension and other post-employment benefit costs; and interest income and other. Interest income and other includes approximately \$22 million of income from SPE investments for 2019.
3. Interest expense is net of capitalized interest and includes approximately \$12 million of expense on SPE notes for 2019.
4. An explanation of special items and a reconciliation to GAAP are set forth on [Slide 21](#). Income taxes attributable to special items are included in Special items, after-tax.

\$ Millions (except EPS)	2019	2020
Consolidated Statement of Operations Before Special Items	FY	FY
Net sales	\$ 6,554	\$ 7,532
Costs of sales	5,412	5,447
Gross margin	1,142	2,085
SG&A expenses	432	430
Other expense, net ²	91	99
Net Contribution to Earnings Before Special Items	\$ 619	\$ 1,556
Interest expense, net ³	(366)	(351)
Income taxes ⁴	32	(243)
Net Earnings Before Special Items⁴	\$ 285	\$ 962
Special items, after-tax ⁴	(361)	(165)
Net Earnings (Loss)	\$ (76)	\$ 797
Diluted EPS Before Special Items⁴	\$ 0.39	\$ 1.29
Diluted EPS	\$ (0.10)	\$ 1.07



2020 Q4 CONSOLIDATED RESULTS

\$ Millions	2020		Change
	2020 Q3	2020 Q4	
Adjusted EBITDA			
Timberlands	\$ 130	\$ 167	\$ 37
Real Estate, Energy & Natural Resources	60	23	(37)
Wood Products	615	530	(85)
Unallocated Items	(60)	(63)	(3)
Total Adjusted EBITDA¹	\$ 745	\$ 657	\$ (88)
Net Contribution to Earnings Before Special Items	\$ 583	\$ 526	\$ (57)

1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 22](#).
2. Includes other operating (costs) income, 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 5](#). Income taxes attributable to special items are included in Special items, after-tax.

\$ Millions (except EPS)	2020	
	2020 Q3	2020 Q4
Consolidated Statement of Operations Before Special Items		
Net sales	\$ 2,110	\$ 2,063
Costs of sales	1,390	1,392
Gross margin	720	671
SG&A expenses	118	114
Other expense, net ²	19	31
Net Contribution to Earnings Before Special Items	\$ 583	\$ 526
Interest expense, net ³	(88)	(86)
Income taxes ⁴	(109)	(79)
Net Earnings Before Special Items⁴	\$ 386	\$ 361
Special items, after-tax ⁴	(103)	(69)
Net Earnings	\$ 283	\$ 292
Diluted EPS Before Special Items⁴	\$ 0.52	\$ 0.48
Diluted EPS	\$ 0.38	\$ 0.39



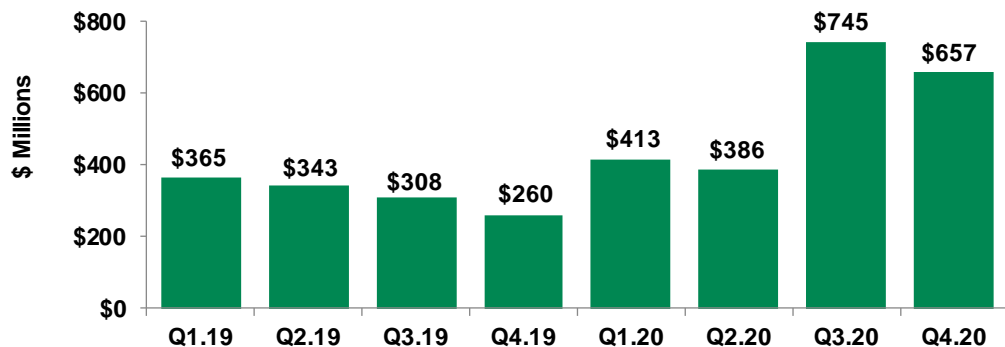
EARNINGS BEFORE SPECIAL ITEMS

\$ Millions (except EPS)	2020 Q3			2020 Q4		
	Pretax Earnings	After-Tax Earnings	Diluted EPS	Pretax Earnings	After-Tax Earnings	Diluted EPS
Earnings Before Special Items	\$ 495	\$ 386	\$ 0.52	\$ 440	\$ 361	\$ 0.48
Special Items:						
Early extinguishment of debt charges	(23)	(23)	(0.03)	(58)	(58)	(0.07)
Timber casualty loss	(80)	(80)	(0.11)	—	—	—
Gain on sale of timberlands	—	—	—	182	182	0.24
Pension settlement charge	—	—	—	(253)	(193)	(0.26)
Total Special Items	(103)	(103)	(0.14)	(129)	(69)	(0.09)
Earnings Including Special Items (GAAP)	\$ 392	\$ 283	\$ 0.38	\$ 311	\$ 292	\$ 0.39

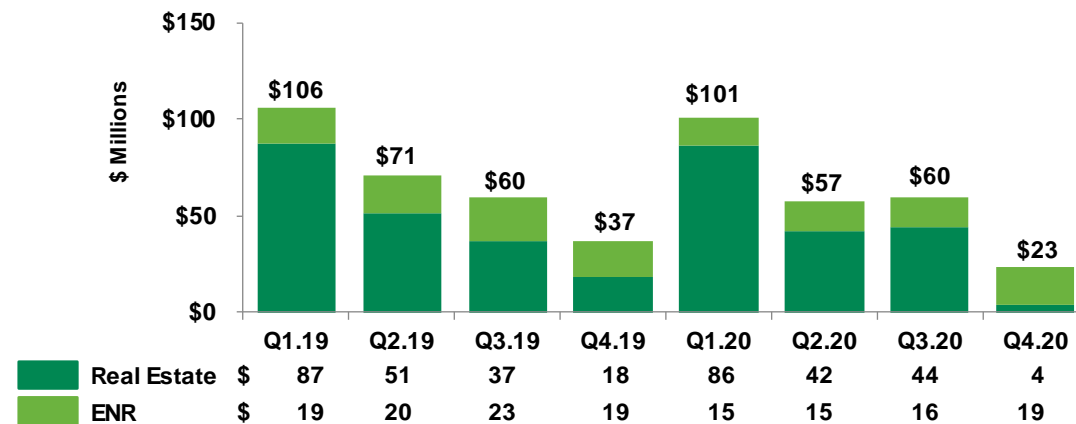


ADJUSTED EBITDA¹

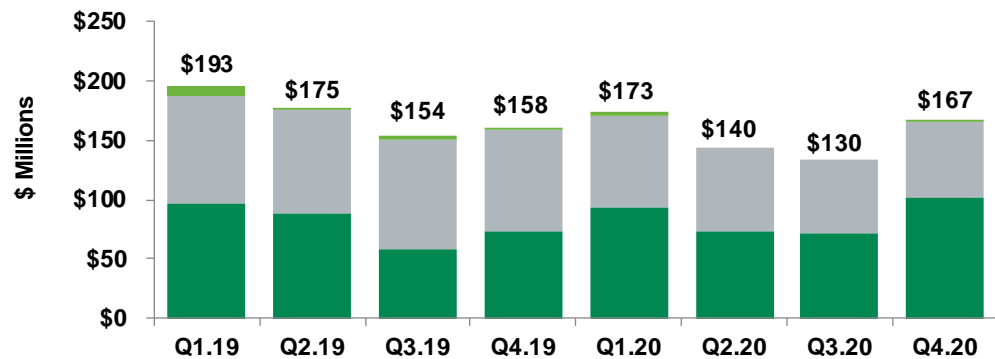
Total Company²



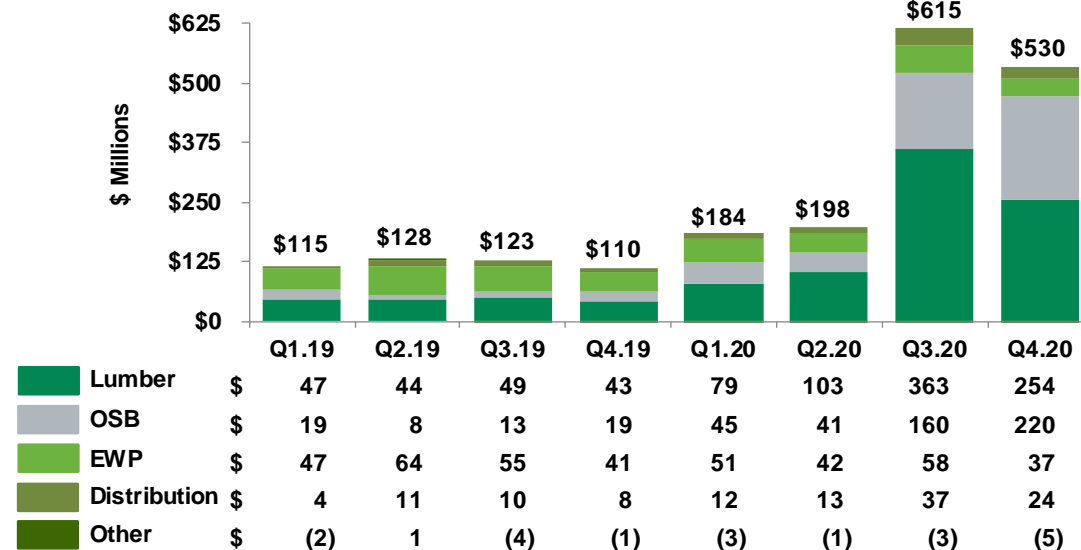
Real Estate & ENR



Timberlands



Wood Products



Region	Q1.19	Q2.19	Q3.19	Q4.19	Q1.20	Q2.20	Q3.20	Q4.20
West	\$ 97	\$ 89	\$ 59	\$ 73	\$ 93	\$ 73	\$ 72	\$ 102
South	\$ 90	\$ 86	\$ 91	\$ 85	\$ 78	\$ 70	\$ 62	\$ 64
North	\$ 7	\$ 1	\$ 4	\$ 3	\$ 3	\$ (1)	\$ —	\$ 2
Other	\$ (1)	\$ (1)	\$ —	\$ (3)	\$ (1)	\$ (2)	\$ (4)	\$ (1)

1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 22](#), [Slide 23](#), [Slide 24](#), [Slide 25](#) and [Slide 26](#).
 2. Total Company Adjusted EBITDA includes Timberlands; Real Estate, Energy & Natural Resources; Wood Products and Unallocated.



TIMBERLANDS SEGMENT

TIMBERLANDS (\$ Millions)	2020	2020
Adjusted EBITDA by Region	Q3	Q4
West	\$ 72	\$ 102
South	62	64
North	—	2
Other	(4)	(1)
Total Adjusted EBITDA¹	\$ 130	\$ 167

Fourth Quarter Notes

- Higher average sales realizations for Western domestic and Japan export logs
- Significantly higher Western export log sales volumes
- Higher Western fee harvest volumes as harvest operations fully resumed following third quarter wildfire activity
- Slightly lower Southern log sales volumes and comparable average log sales realizations
- Lower Southern unit logging and hauling costs

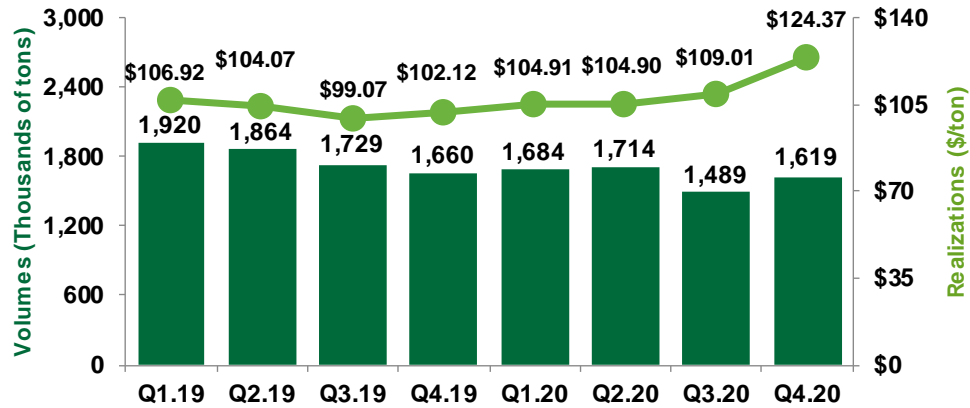
1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 23](#).
2. Fourth quarter 2020 excludes a \$182 million gain on sale of certain southern Oregon timberlands and third quarter 2020 excludes an \$80 million timber casualty loss. These are included in Special items, pretax.
3. Adjusted EBITDA divided by total sales.
4. Net contribution to earnings before special items divided by total sales.

TIMBERLANDS (\$ Millions)	2020	2020
Segment Statement of Operations	Q3	Q4
Third-party sales	\$ 345	\$ 381
Intersegment sales	107	121
Total Sales	452	502
Costs of sales	358	375
Gross margin	94	127
SG&A expenses	24	24
Other (income) expense, net ²	1	(1)
Net Contribution to Earnings Before Special Items	\$ 69	\$ 104
Special items, pretax	(80)	182
Net Contribution (Charge) to Earnings	\$ (11)	\$ 286
Adjusted EBITDA¹	\$ 130	\$ 167
Adjusted EBITDA Margin Percentage³	29%	33%
Operating Margin Percentage⁴	15%	21%

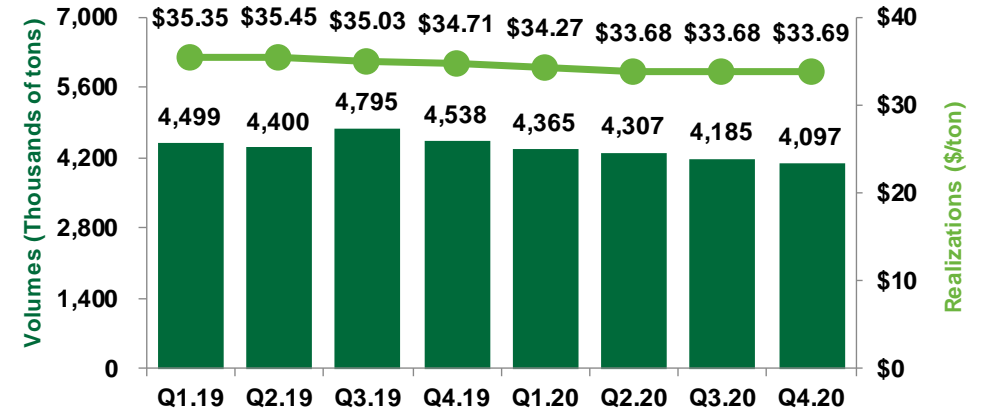


SALES VOLUMES, REALIZATIONS AND EXPORT REVENUE

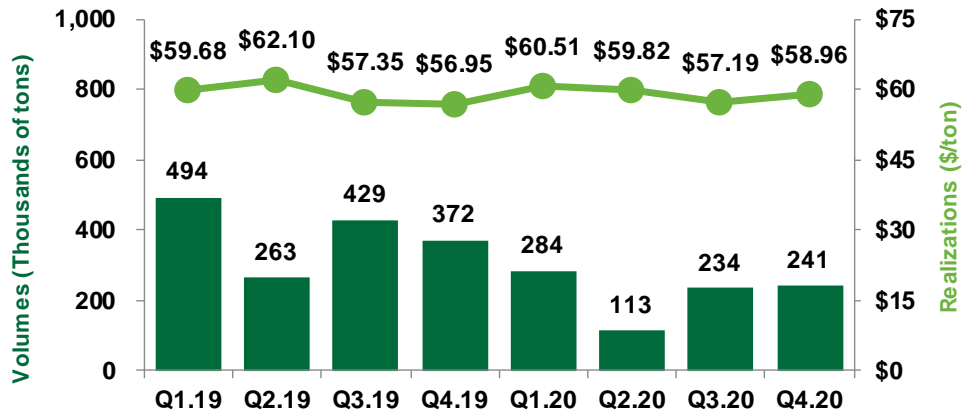
3rd-Party Log Sales and Realizations - West¹



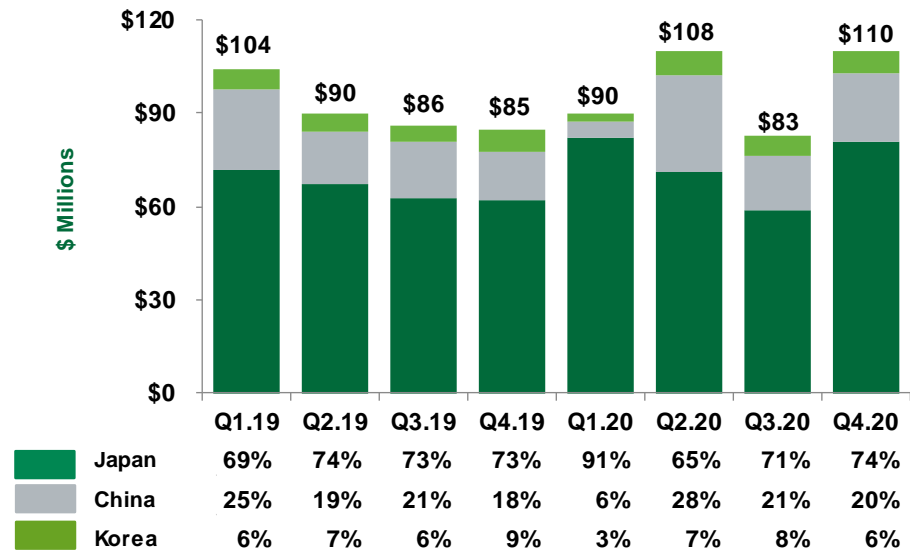
3rd-Party Log Sales and Realizations - South



3rd-Party Log Sales and Realizations - North



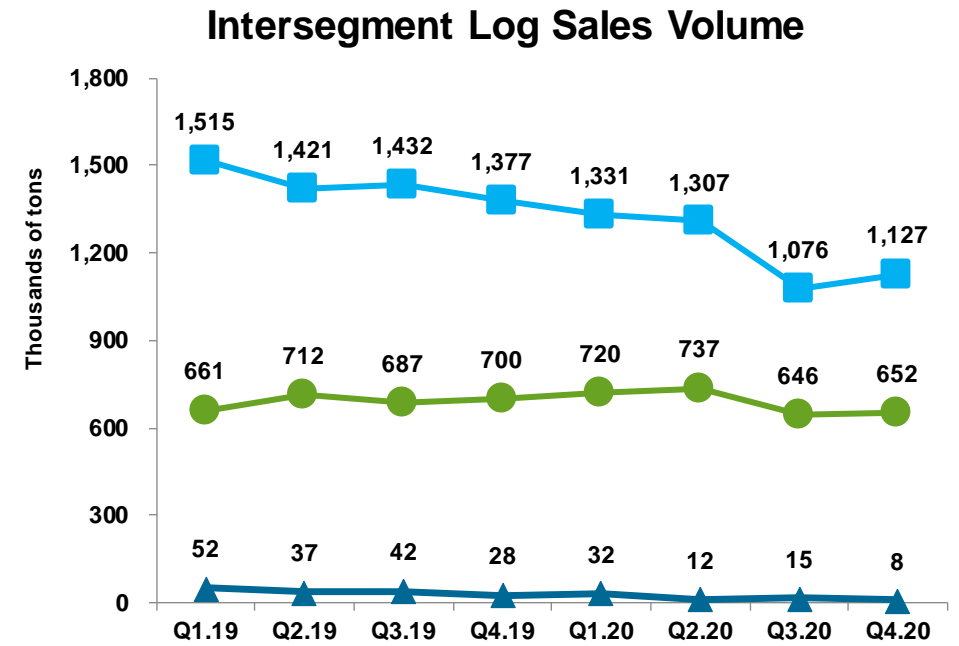
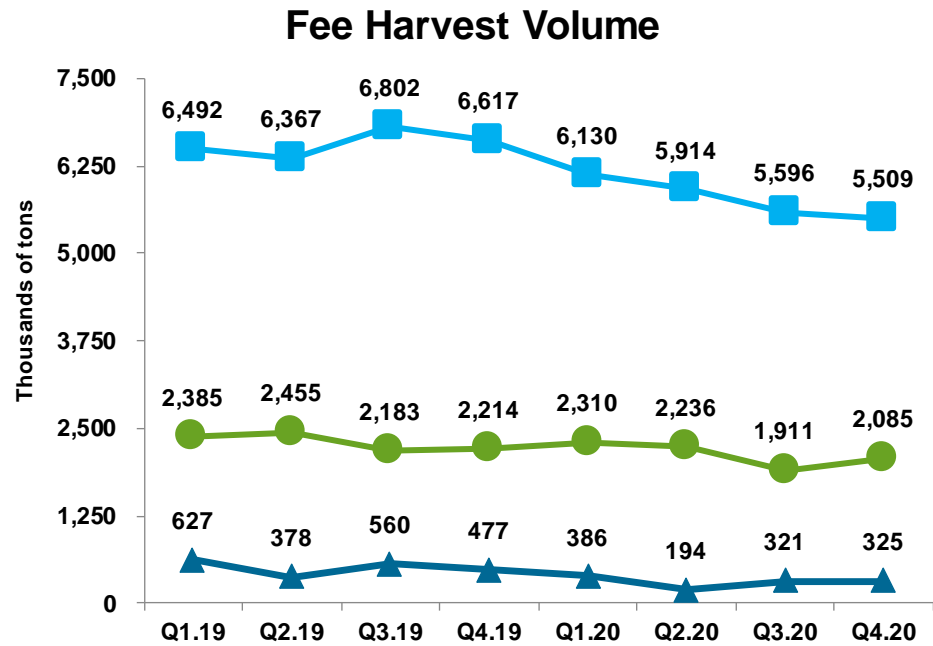
Western Export Log Revenue



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



FEE HARVEST VOLUME AND INTERSEGMENT SALES VOLUME



■ South
 ● West
 ▲ North



REAL ESTATE, ENERGY & NATURAL RESOURCES (ENR) SEGMENT

Real Estate & ENR (\$ Millions)	2020	2020
Adjusted EBITDA by Business	Q3	Q4
Real Estate	\$ 44	\$ 4
Energy & Natural Resources	16	19
Total Adjusted EBITDA¹	\$ 60	\$ 23

Fourth Quarter Notes

- Significantly fewer real estate sales due to timing of transactions
- Significantly lower average land basis due to mix

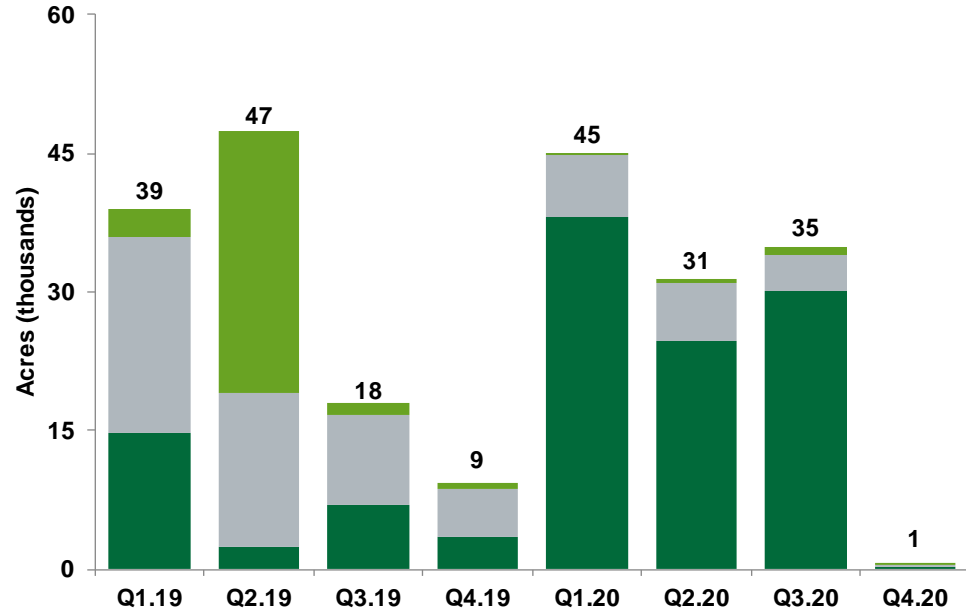
1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 24](#).

Real Estate & ENR (\$ Millions)	2020	2020
Segment Statement of Operations	Q3	Q4
Total sales	\$ 69	\$ 30
Costs of sales	46	9
Gross margin	23	21
SG&A expenses	6	7
Net Contribution to Earnings	\$ 17	\$ 14
Adjusted EBITDA¹	\$ 60	\$ 23



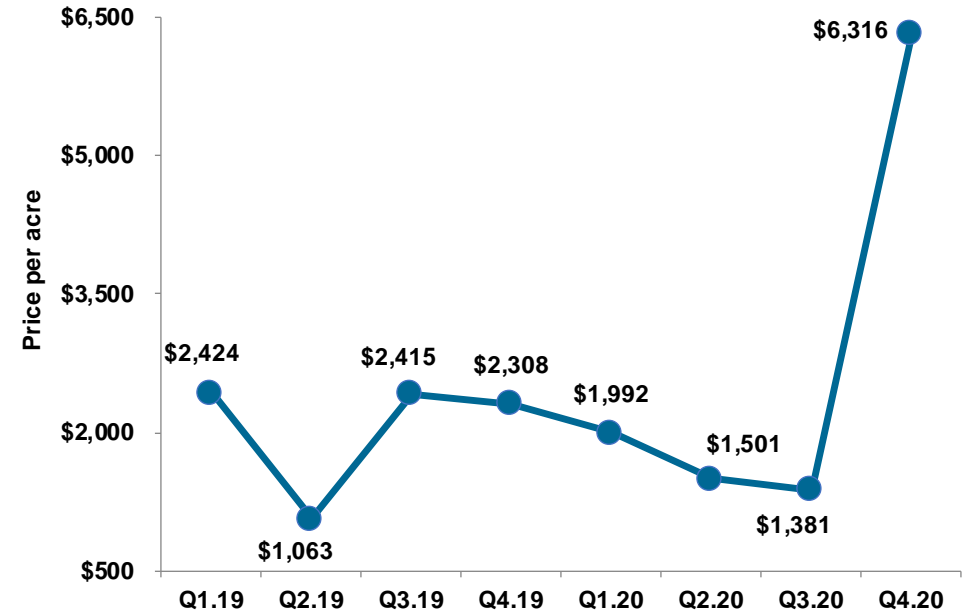
REAL ESTATE, ENERGY & NATURAL RESOURCES (ENR) SEGMENT

Acres Sold



	Q1.19	Q2.19	Q3.19	Q4.19	Q1.20	Q2.20	Q3.20	Q4.20
West	38%	5%	32%	23%	85%	79%	86%	26%
South	54%	35%	55%	53%	15%	20%	11%	54%
North	8%	60%	13%	24%	—%	1%	3%	20%

Average Price per Acre



WOOD PRODUCTS SEGMENT

WOOD PRODUCTS (\$ Millions)	2020	2020
Adjusted EBITDA by Business	Q3	Q4
Lumber	\$ 363	\$ 254
OSB	160	220
Engineered Wood Products	58	37
Distribution	37	24
Other	(3)	(5)
Total Adjusted EBITDA¹	\$ 615	\$ 530

Fourth Quarter Notes

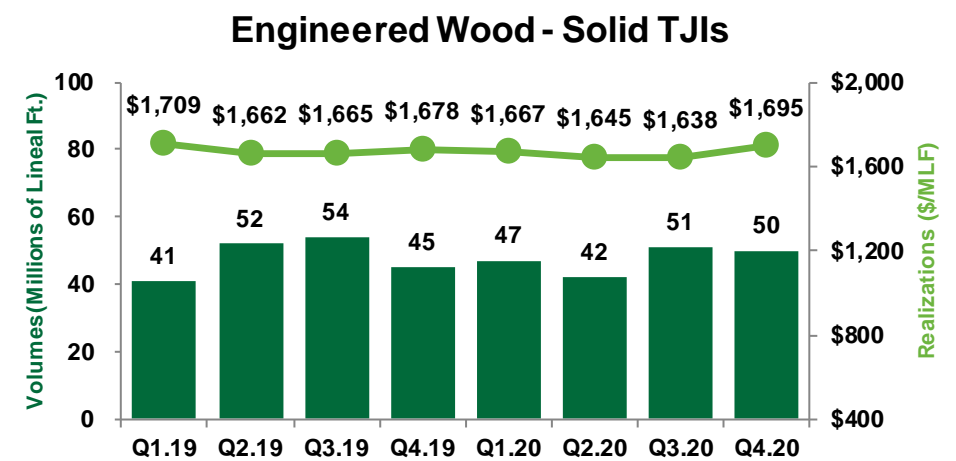
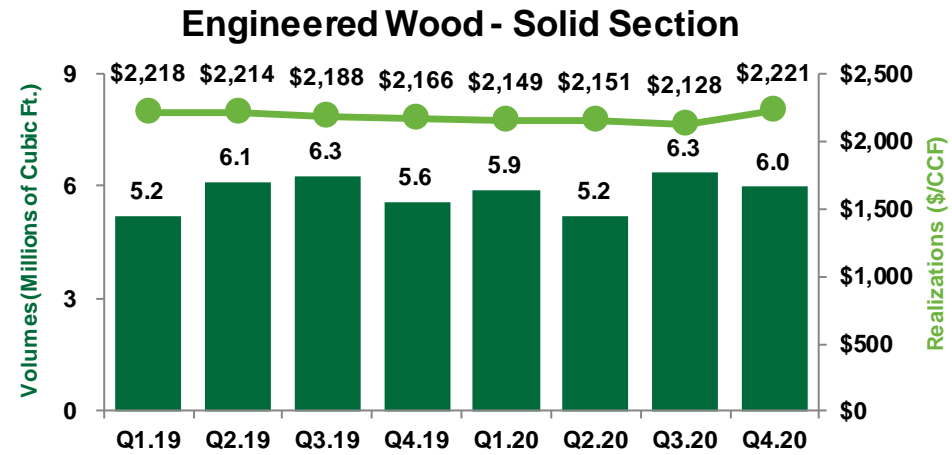
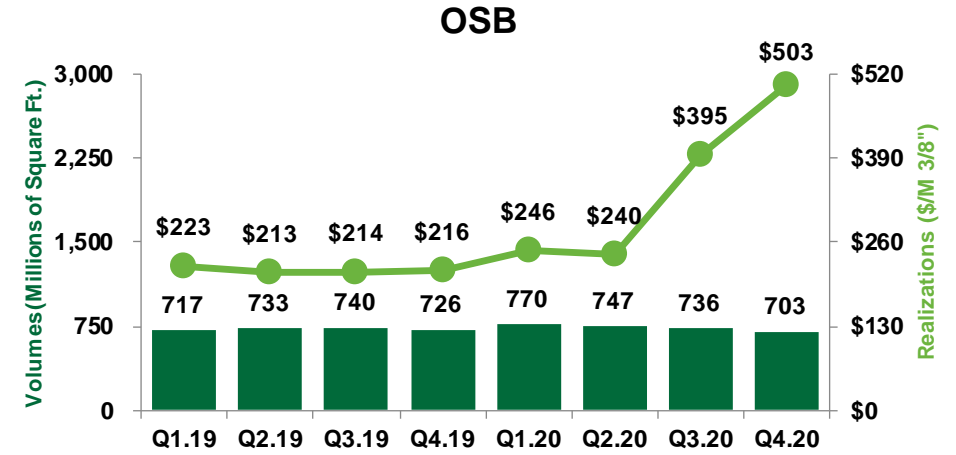
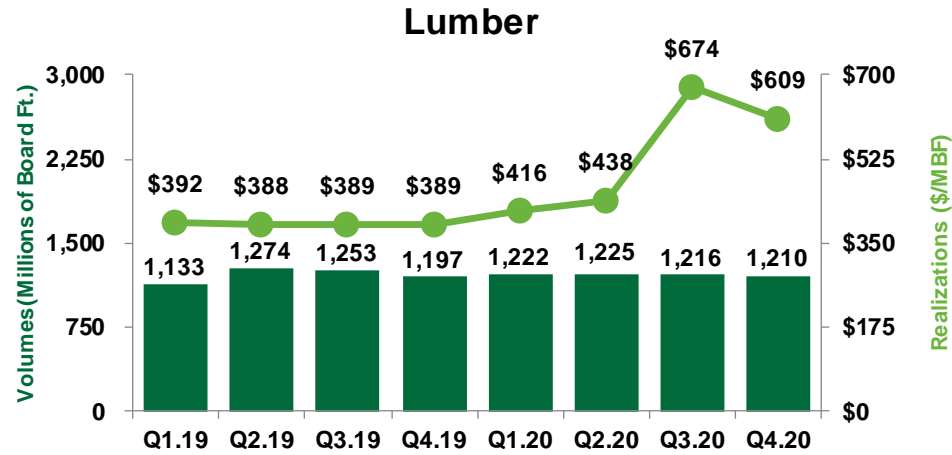
- Lower average sales realizations for lumber
- Significantly higher average sales realizations for oriented strand board
- Slightly lower sales volumes across most product lines
- Significantly higher costs for Western and Canadian logs and oriented strand board webstock
- Higher per unit manufacturing costs for oriented strand board due to planned maintenance outages

WOOD PRODUCTS (\$ Millions)	2020	2020
Segment Statement of Operations	Q3	Q4
Total sales	\$ 1,696	\$ 1,652
Costs of sales	1,075	1,109
Gross margin	621	543
SG&A expenses	51	54
Other expense, net	4	8
Net Contribution to Earnings	\$ 566	\$ 481
Adjusted EBITDA¹	\$ 615	\$ 530
Adjusted EBITDA Margin Percentage²	36%	32%
Operating Margin Percentage³	33%	29%

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 25](#).
2. Adjusted EBITDA divided by total sales.
3. Net contribution to earnings divided by total sales.



THIRD-PARTY SALES VOLUMES AND REALIZATIONS¹



1. Sales volumes include sales of internally produced products and products purchased for resale primarily through our Distribution business. These sales occur at market price.



UNALLOCATED ITEMS

UNALLOCATED ITEMS (\$ Millions) ¹	2020	
	Q3	Q4
Unallocated corporate function expenses and variable compensation expense	\$ (36)	\$ (31)
Liability classified share-based compensation	(5)	(3)
Foreign exchange gains (losses)	2	(4)
Elimination of intersegment profit in inventory and LIFO	(9)	(13)
Non-operating pension and other post-employment benefit costs	(9)	(9)
Other, including interest income	(12)	(13)
Net Charge to Earnings Before Special Items	\$ (69)	\$ (73)
Special items, pretax	—	(253)
Net Charge to Earnings	\$ (69)	\$ (326)
Adjusted EBITDA²	\$ (60)	\$ (63)

UNALLOCATED ITEMS (\$ Millions) ¹	2020	
	Q3	Q4
Costs of sales ³	\$ (18)	\$ (20)
G&A expense ⁴	(33)	(29)
Other expense, net	(18)	(24)
Net Charge to Earnings Before Special Items	\$ (69)	\$ (73)
Special items, pretax	—	(253)
Net Charge to Earnings	\$ (69)	\$ (326)

1. Unallocated items are gains or charges not related to or allocated to an individual operating segment.
2. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 26](#).
3. Costs of sales is composed primarily of elimination of intersegment profit in inventory and LIFO and incentive compensation.
4. G&A expense is comprised primarily of share-based compensation, pension service costs, corporate function expenses and incentive compensation.



FINANCIAL ITEMS

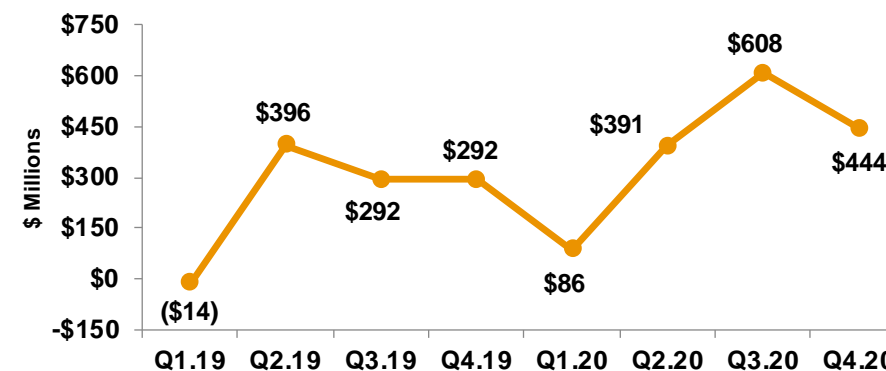
KEY FINANCIAL METRICS (\$ Millions)	2020	
	Q3	Q4
Ending Cash Balance	\$ 787	\$ 495
Total Debt ¹	\$ 5,974	\$ 5,475
Net Debt to Adjusted EBITDA (LTM) ²	2.9	2.3
Net Debt to Enterprise Value ³	20%	17%

Scheduled Debt Maturities as of December 31, 2020

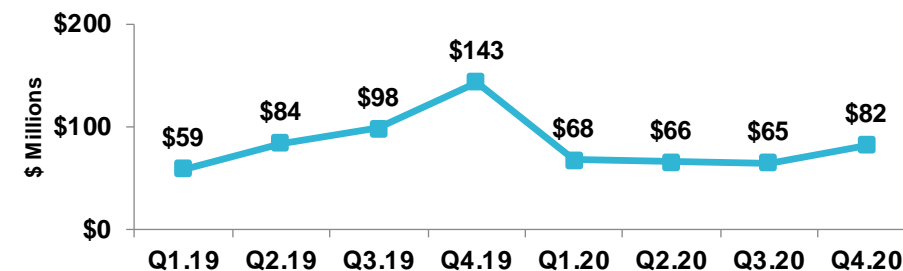
(\$ Millions)	2021	2022	2023	2024	2025
Debt Maturities	\$ 150	\$ —	\$1,051	\$ —	\$ 436

1. Fourth quarter 2020 total debt includes \$150 million for the current portion of long-term debt.
2. LTM = last twelve months. A reconciliation to GAAP is set forth on [Slide 27](#).
3. Total debt, net of cash and equivalents, divided by enterprise value. Enterprise value is defined as total debt, net of cash and equivalents, plus market capitalization as of the end of the quarter.

Cash Flow from Operations



Capital Expenditures



2019: \$384 million

2020: \$281 million

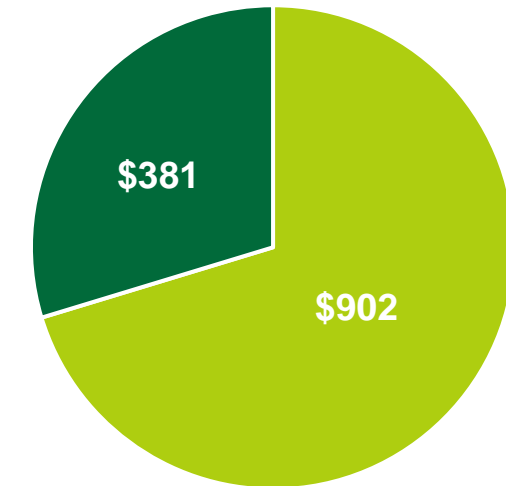


ADJUSTED FUNDS AVAILABLE FOR DISTRIBUTION¹ AND CAPITAL ALLOCATION

ADJUSTED FUNDS AVAILABLE FOR DISTRIBUTION (\$ Millions)	2020
	FY
Net Cash from Operations	\$ 1,529
Capital Expenditures	(281)
Adjustments to FAD ²	(8)
Adjusted Funds Available for Distribution	\$ 1,240

KEY CAPITAL ALLOCATION ITEMS (\$ Millions)	2020
	FY
Gross Debt Reduction	\$ 902
Return of Cash to Shareholders ³	
2020 Q1 Dividend	254
2020 Q4 Base Dividend	127
Total Return of Cash to Shareholders	\$ 381

Key Capital Allocation Items FY 2020



- **GROSS DEBT REDUCTION**
Maintain Appropriate Capital Structure
- **CASH DIVIDENDS**
Returning Cash to Shareholders

1. Our definition of Adjusted funds available for distribution (Adjusted FAD) and a reconciliation to GAAP are set forth on [Slide 28](#).
2. Adjustments to FAD include an \$8 million product remediation insurance recovery.
3. Weyerhaeuser's board of directors suspended the company's quarterly cash dividend on April 30, 2020. On October 30, 2020, the board reinstated a quarterly cash dividend and implemented a new dividend framework to enhance the company's ability to return a meaningful and appropriate level of cash to shareholders across a variety of market conditions. The new dividend framework includes a sustainable quarterly base dividend and a variable supplemental dividend. The first quarterly base dividend of \$0.17 per share was paid in fourth quarter 2020.



OUTLOOK: 2021 Q1 vs. 2020 Q4

SEGMENT	COMMENTS
TIMBERLANDS	<ul style="list-style-type: none"> Higher Western export log sales volumes, slightly lower average domestic log sales realizations, slightly higher unit logging and hauling costs, and seasonally lower Western road spending Higher Southern fee harvest volumes and comparable average log sales realizations Expect earnings and Adjusted EBITDA will be slightly higher than 2020 Q4
REAL ESTATE, ENERGY & NATURAL RESOURCES	<ul style="list-style-type: none"> Anticipate 2021 Q1 earnings will be slightly higher than 2020 Q1, and Adjusted EBITDA will be modestly lower than 2020 Q1 due to the timing and mix of real estate transactions Expect full year 2021 Adjusted EBITDA of approximately \$255 million
WOOD PRODUCTS	<ul style="list-style-type: none"> Improved manufacturing costs across product lines Slightly higher sales volumes, primarily for lumber and engineered wood products Excluding the effect of changes in average sales realizations for lumber and oriented strand board, anticipate earnings and Adjusted EBITDA will be significantly higher than 2020 Q4 To date, 2021 Q1 benchmark pricing for lumber and oriented strand board is significantly higher than the 2020 Q4 average



2021 OUTLOOK

DRIVER	FY 2021 OUTLOOK
FEE HARVEST VOLUME	Approximately 34.5 million tons <ul style="list-style-type: none"> • South: Approximately 10% higher than 2020 • West: Approximately 5% lower than 2020, attributable to Oregon salvage activity • North: Moderately lower than 2020
REAL ESTATE & ENR EBITDA	\$255 million
BASIS OF REAL ESTATE SOLD	45-55% of Real Estate sales
OPERATIONAL EXCELLENCE IMPROVEMENTS	\$50-75 million
INTEREST EXPENSE	\$315 million
CONSOLIDATED TAX RATE	18-22% expense, excluding special items
NON-OPERATING PENSION AND POST-EMPLOYMENT EXPENSE	Approximately \$35 million, noncash
CASH CONTRIBUTION FOR PENSION AND POST-EMPLOYMENT PLANS	Approximately \$25 million
CAPITAL EXPENDITURES	\$420 million



EARNINGS SUMMARY

\$ Millions (except EPS)	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Adjusted EBITDA by Segment								
Timberlands	\$ 193	\$ 175	\$ 154	\$ 158	\$ 173	\$ 140	\$ 130	\$ 167
Real Estate, Energy & Natural Resources	106	71	60	37	101	57	60	23
Wood Products	115	128	123	110	184	198	615	530
Unallocated Items	(49)	(31)	(29)	(45)	(45)	(9)	(60)	(63)
Total Adjusted EBITDA¹	\$ 365	\$ 343	\$ 308	\$ 260	\$ 413	\$ 386	\$ 745	\$ 657
DD&A, basis of real estate sold, non-operating pension and post-employment costs, and interest income and other ²	(176)	(167)	(168)	(146)	(193)	(159)	(162)	(131)
Net Contribution to Earnings Before Special Items	\$ 189	\$ 176	\$ 140	\$ 114	\$ 220	\$ 227	\$ 583	\$ 526
Interest expense, net ³	(95)	(91)	(91)	(89)	(85)	(92)	(88)	(86)
Income taxes ⁴	(14)	38	10	(2)	3	(58)	(109)	(79)
Net Earnings Before Special Items⁵	\$ 80	\$ 123	\$ 59	\$ 23	\$ 138	\$ 77	\$ 386	\$ 361
Special items, after-tax ⁴	(369)	5	40	(37)	12	(5)	(103)	(69)
Net Earnings (Loss)	\$ (289)	\$ 128	\$ 99	\$ (14)	\$ 150	\$ 72	\$ 283	\$ 292
Diluted EPS Before Special Items⁵	\$ 0.11	\$ 0.16	\$ 0.08	\$ 0.03	\$ 0.18	\$ 0.11	\$ 0.52	\$ 0.48
Diluted EPS	\$ (0.39)	\$ 0.17	\$ 0.13	\$ (0.02)	\$ 0.20	\$ 0.10	\$ 0.38	\$ 0.39

1. See [Slide 22](#) for our definition of Adjusted EBITDA.

2. First quarter 2019, second quarter 2019, fourth quarter 2019 and fourth quarter 2020 exclude pension settlement charges or benefits. These are included in Special items, after-tax.

3. Interest expense is net of capitalized interest and includes approximately \$4 million of expense on special purpose entity (SPE) notes for the first, second and third quarter in 2019. First quarter 2019, second quarter 2020, third quarter 2020 and fourth quarter 2020 exclude charges for early extinguishment of debt. These charges are included in Special items, after-tax.

4. Income taxes excludes taxes related to special items.

5. A reconciliation to GAAP EPS is set forth on [Slide 20](#).



EARNINGS PER SHARE RECONCILIATION

	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Diluted EPS Before Special Items	\$ 0.11	\$ 0.16	\$ 0.08	\$ 0.03	\$ 0.18	\$ 0.11	\$ 0.52	\$ 0.48
Special Items:								
Pension settlement charges	(0.47)	0.01	—	(0.01)	—	—	—	(0.26)
Early extinguishment of debt charges	(0.01)	—	—	—	—	(0.02)	(0.03)	(0.07)
Legal (charges) benefits	(0.02)	—	(0.02)	—	0.02	—	—	—
Product remediation recoveries	—	—	0.07	—	—	0.01	—	—
Gain on sale of timberlands	—	—	—	0.07	—	—	—	0.24
Restructuring, impairments and other charges	—	—	—	(0.11)	—	—	—	—
Timber casualty loss	—	—	—	—	—	—	(0.11)	—
Diluted EPS (GAAP)	\$ (0.39)	\$ 0.17	\$ 0.13	\$ (0.02)	\$ 0.20	\$ 0.10	\$ 0.38	\$ 0.39



EARNINGS BEFORE SPECIAL ITEMS RECONCILIATION

\$ Millions (except EPS)	2019			2020		
	Pretax Earnings	After-Tax Earnings	Diluted EPS	Pretax Earnings	After-Tax Earnings	Diluted EPS
Earnings Before Special Items	\$ 253	\$ 285	\$ 0.39	\$ 1,205	\$ 962	\$ 1.29
Special Items:						
Gain on sale of timberlands	48	48	0.07	182	182	0.24
Pension settlement charges	(455)	(345)	(0.47)	(253)	(193)	(0.26)
Early extinguishment of debt charges	(12)	(9)	(0.01)	(92)	(92)	(0.12)
Legal (charges) benefits	(35)	(26)	(0.04)	12	12	0.02
Product remediation recoveries	68	51	0.07	8	6	0.01
Restructuring, impairments and other charges	(80)	(80)	(0.11)	—	—	—
Timber casualty loss	—	—	—	(80)	(80)	(0.11)
Total Special Items	(466)	(361)	(0.49)	(223)	(165)	(0.22)
Earnings (Loss) Including Special Items (GAAP)	\$ (213)	\$ (76)	\$ (0.10)	\$ 982	\$ 797	\$ 1.07



ADJUSTED EBITDA RECONCILIATION BY SEGMENT

\$ Millions	2017		2018		2019				2020			
	FY	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Timberlands	\$ 936	\$ 902	\$ 193	\$ 175	\$ 154	\$ 158	\$ 680	\$ 173	\$ 140	\$ 130	\$ 167	\$ 610
Real Estate & ENR	241	264	106	71	60	37	274	101	57	60	23	241
Wood Products	1,017	987	115	128	123	110	476	184	198	615	530	1,527
Unallocated Items	(114)	(121)	(49)	(31)	(29)	(45)	(154)	(45)	(9)	(60)	(63)	(177)
Adjusted EBITDA¹	\$ 2,080	\$ 2,032	\$ 365	\$ 343	\$ 308	\$ 260	\$ 1,276	\$ 413	\$ 386	\$ 745	\$ 657	\$ 2,201
Depletion, depreciation & amortization	(521)	(486)	(123)	(124)	(135)	(128)	(510)	(123)	(117)	(115)	(117)	(472)
Basis of real estate sold	(81)	(124)	(48)	(33)	(24)	(11)	(116)	(62)	(34)	(40)	(5)	(141)
Unallocated pension service costs	(4)	—	—	—	—	—	—	—	—	—	—	—
Special items in operating income	(343)	(28)	(20)	—	53	(32)	1	12	8	(80)	182	122
Operating Income (GAAP)	\$ 1,131	\$ 1,394	\$ 174	\$ 186	\$ 202	\$ 89	\$ 651	\$ 240	\$ 243	\$ 510	\$ 717	\$ 1,710
Non-operating pension and other post-employment benefit costs	(62)	(272)	(470)	(10)	(15)	(21)	(516)	(9)	(10)	(9)	(262)	(290)
Interest income and other	40	60	10	6	6	8	30	1	2	2	—	5
Net Contribution (Charge) to Earnings (Loss)	\$ 1,109	\$ 1,182	\$ (286)	\$ 182	\$ 193	\$ 76	\$ 165	\$ 232	\$ 235	\$ 503	\$ 455	\$ 1,425
Interest expense, net	(393)	(375)	(107)	(91)	(91)	(89)	(378)	(85)	(103)	(111)	(144)	(443)
Income taxes ²	(134)	(59)	104	37	(3)	(1)	137	3	(60)	(109)	(19)	(185)
Net Earnings (Loss) (GAAP)	\$ 582	\$ 748	\$ (289)	\$ 128	\$ 99	\$ (14)	\$ (76)	\$ 150	\$ 72	\$ 283	\$ 292	\$ 797

- 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.
- The income tax effects of special items can be found in a reconciliation set forth in [Slide 5](#).



ADJUSTED EBITDA RECONCILIATION: TIMBERLANDS

\$ Millions	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
West	\$ 97	\$ 89	\$ 59	\$ 73	\$ 93	\$ 73	\$ 72	\$ 102
South	90	86	91	85	78	70	62	64
North	7	1	4	3	3	(1)	—	2
Other	(1)	(1)	—	(3)	(1)	(2)	(4)	(1)
Total Timberlands Adjusted EBITDA¹	\$ 193	\$ 175	\$ 154	\$ 158	\$ 173	\$ 140	\$ 130	\$ 167
West	(29)	(30)	(27)	(27)	(28)	(27)	(25)	(26)
South	(40)	(39)	(51)	(42)	(37)	(36)	(34)	(34)
North	(4)	(3)	(4)	(3)	(3)	(1)	(2)	(2)
Other	—	(1)	—	(1)	—	(1)	—	(1)
Total depletion, depreciation & amortization	\$ (73)	\$ (73)	\$ (82)	\$ (73)	\$ (68)	\$ (65)	\$ (61)	\$ (63)
Special items	—	—	—	(32)	—	—	(80)	182
Operating Income (Loss) and Net Contribution (Charge) to Earnings (GAAP)	\$ 120	\$ 102	\$ 72	\$ 53	\$ 105	\$ 75	\$ (11)	\$ 286

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	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Real Estate	\$ 87	\$ 51	\$ 37	\$ 18	\$ 86	\$ 42	\$ 44	\$ 4
Energy & Natural Resources	19	20	23	19	15	15	16	19
Total Real Estate & ENR Adjusted EBITDA¹	\$ 106	\$ 71	\$ 60	\$ 37	\$ 101	\$ 57	\$ 60	\$ 23
Depletion, depreciation & amortization	(3)	(3)	(4)	(4)	(3)	(4)	(3)	(5)
Basis of real estate sold	(48)	(33)	(24)	(11)	(62)	(34)	(40)	(5)
Operating Income and Net Contribution to Earnings (GAAP)	\$ 55	\$ 35	\$ 32	\$ 22	\$ 36	\$ 19	\$ 17	\$ 13

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	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Lumber	\$ 47	\$ 44	\$ 49	\$ 43	\$ 79	\$ 103	\$ 363	\$ 254
OSB	19	8	13	19	45	41	160	220
EWP	47	64	55	41	51	42	58	37
Distribution	4	11	10	8	12	13	37	24
Other	(2)	1	(4)	(1)	(3)	(1)	(3)	(5)
Total Wood Products Adjusted EBITDA^{1,2}	\$ 115	\$ 128	\$ 123	\$ 110	\$ 184	\$ 198	\$ 615	\$ 530
Lumber	(24)	(25)	(26)	(26)	(27)	(26)	(28)	(26)
OSB	(9)	(8)	(9)	(9)	(9)	(8)	(9)	(9)
EWP	(10)	(11)	(11)	(11)	(10)	(10)	(9)	(10)
Distribution	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
Other	(2)	(1)	(1)	(2)	(3)	(1)	(2)	(2)
Total depletion, depreciation & amortization	\$ (46)	\$ (47)	\$ (48)	\$ (50)	\$ (50)	\$ (47)	\$ (49)	\$ (49)
Special items	—	—	68	—	—	8	—	—
Operating Income and Net Contribution to Earnings (GAAP)	\$ 69	\$ 81	\$ 143	\$ 60	\$ 134	\$ 159	\$ 566	\$ 481

- 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	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total Unallocated Adjusted EBITDA¹	\$ (49)	\$ (31)	\$ (29)	\$ (45)	\$ (45)	\$ (9)	\$ (60)	\$ (63)
Total depletion, depreciation & amortization	(1)	(1)	(1)	(1)	(2)	(1)	(2)	(1)
Special items included in operating income (loss)	(20)	—	(15)	—	12	—	—	—
Operating Loss (GAAP)	\$ (70)	\$ (32)	\$ (45)	\$ (46)	\$ (35)	\$ (10)	\$ (62)	\$ (64)
Non-operating pension and other post-employment benefit costs	(470)	(10)	(15)	(21)	(9)	(10)	(9)	(262)
Interest income and other	10	6	6	8	1	2	2	—
Net Charge to Earnings (GAAP)	\$ (530)	\$ (36)	\$ (54)	\$ (59)	\$ (43)	\$ (18)	\$ (69)	\$ (326)

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	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Debt to Adjusted EBITDA (LTM) ^{1,2}	3.3	3.9	4.7	4.9	4.5	4.1	2.9	2.3
Total debt	\$ 6,401	\$ 6,293	\$ 6,590	\$ 6,377	\$ 7,426	\$ 6,299	5,974	\$ 5,475
Less: cash and cash equivalents	259	212	153	139	1,458	643	787	495
Net Debt	\$ 6,142	\$ 6,081	\$ 6,437	\$ 6,238	\$ 5,968	\$ 5,656	5,187	\$ 4,980
Adjusted EBITDA (LTM)	\$ 1,853	\$ 1,559	\$ 1,362	\$ 1,276	\$ 1,324	\$ 1,367	1,804	\$ 2,201
Depletion, depreciation & amortization	(489)	(494)	(507)	(510)	(510)	(503)	(483)	(472)
Basis of real estate sold	(160)	(171)	(149)	(116)	(130)	(131)	(147)	(141)
Special items in operating income	(40)	(20)	33	1	33	41	(92)	122
Operating Income (LTM) (GAAP)	\$ 1,164	\$ 874	\$ 739	\$ 651	\$ 717	\$ 774	1,082	\$ 1,710
Non-operating pension and other post-employment benefit costs	(718)	(715)	(713)	(516)	(55)	(55)	(49)	(290)
Interest income and other	58	53	46	30	21	17	13	5
Net Contribution to Earnings (LTM)	\$ 504	\$ 212	\$ 72	\$ 165	\$ 683	\$ 736	1,046	\$ 1,425
Interest expense, net of capitalized interest	(389)	(388)	(386)	(378)	(356)	(368)	(388)	(443)
Income taxes ³	75	177	159	137	36	(61)	(167)	(185)
Net Earnings (Loss) (LTM) (GAAP)	\$ 190	\$ 1	\$ (155)	\$ (76)	\$ 363	\$ 307	491	\$ 797

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 22](#) for our definition of Adjusted EBITDA.

3. The income tax effects of special items can be found in a reconciliation set forth in [Slide 5](#).



FUNDS AVAILABLE FOR DISTRIBUTION RECONCILIATION

\$ Millions	2017	2018	2019	2020
	FY	FY	FY	FY
Net Cash from Operations	\$ 1,201	\$ 1,112	\$ 966	\$ 1,529
Capital Expenditures (excluding discontinued operations)	(419)	(427)	(384)	(281)
Funds Available for Distribution¹	\$ 782	\$ 685	\$ 582	\$ 1,248
Cash for product remediation payments (from product remediation insurance recoveries)	192	96	(68)	(8)
Cash tax payments attributable to Cellulose Fibers divestiture	75	—	—	—
Cash contribution to our U.S. qualified pension plan	—	300	—	—
Adjusted Funds Available for Distribution²	\$ 1,049	\$ 1,081	\$ 514	\$ 1,240

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.

