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**Weyerhaeuser reports first quarter results**

- **Achieved net earnings of \$681 million, or \$0.91 per diluted share**
- **Highest quarterly Adjusted EBITDA on record at \$1.1 billion**
- **Increased Adjusted EBITDA by 68 percent compared with fourth quarter 2020**

**SEATTLE**, April 30, 2021 – [Weyerhaeuser Company](#) (NYSE: WY) today reported first quarter net earnings of \$681 million, or 91 cents per diluted share, on net sales of \$2.5 billion. This compares with net earnings of \$150 million, or 20 cents per diluted share, on net sales of \$1.7 billion for the same period last year and net earnings of \$292 million for the fourth quarter of 2020. There were no special items in first quarter 2021. Net earnings before special items was \$138 million for the same period last year and \$361 million for the fourth quarter of 2020.

Adjusted EBITDA for the first quarter of 2021 was \$1.1 billion compared with \$413 million for the same period last year and \$657 million for the fourth quarter of 2020.

“I am extremely pleased with our first quarter results, as our businesses delivered Weyerhaeuser’s highest quarterly Adjusted EBITDA on record despite severe winter weather and supply chain disruptions,” said Devin W. Stockfish, president and chief executive officer. “We also surpassed our previous record for Wood Products Adjusted EBITDA by more than 50 percent and announced a strategic acquisition to enhance our Alabama timberland holdings. As 2021 progresses, new residential construction activity is exhibiting remarkable momentum and repair and remodel demand remains very favorable. We remain committed to delivering operational excellence across our unmatched portfolio of assets and enhancing shareholder value through disciplined capital allocation.”

**WEYERHAEUSER FINANCIAL HIGHLIGHTS**

<b>(millions, except per share data)</b>	<b>2020 Q4</b>	<b>2021 Q1</b>	<b>2020 Q1</b>
Net sales	\$2,063	\$2,506	\$1,728
Net earnings	\$292	\$681	\$150
Net earnings per diluted share	\$0.39	\$0.91	\$0.20
Weighted average shares outstanding, diluted	749	750	747
Net earnings before special items <sup>(1)(2)</sup>	\$361	\$681	\$138
Net earnings per diluted share before special items <sup>(1)</sup>	\$0.48	\$0.91	\$0.18
Adjusted EBITDA <sup>(1)</sup>	\$657	\$1,101	\$413

(1) Net earnings before special items is a non-GAAP measure that management believes provides helpful context in understanding the company’s earnings performance. Additionally, 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. Net earnings before special items and Adjusted EBITDA should not be considered in isolation from, and are not intended to represent an alternative to, our GAAP results. Reconciliations of Net earnings before special items and Adjusted EBITDA to GAAP earnings are included within this release.

(2) Special items for prior periods presented are included in the reconciliation tables following this release.

## TIMBERLANDS

<b>FINANCIAL HIGHLIGHTS</b> <b>(millions)</b>	<b>2020</b> <b>Q4</b>	<b>2021</b> <b>Q1</b>	<b>Change</b>
Net sales	\$502	\$513	\$11
Net contribution to pretax earnings	\$286	\$108	(\$178)
Pretax benefit for special items	(\$182)	\$—	\$182
Net contribution to pretax earnings before special items	\$104	\$108	\$4
Adjusted EBITDA	\$167	\$172	\$5

**Q1 2021 Performance** – In the West, average export log sales realizations increased from the fourth quarter, and the company shifted volume to the export market to serve higher Japanese demand. Average domestic log sales realizations were slightly lower, as salvage operations resulted in a greater mix of smaller diameter logs. Log and haul costs were higher due to increased salvage activity, and forestry expenses were seasonally lower. In the South, average sales realizations for sawlogs and fiber logs improved from the fourth quarter, while fee harvest volumes were slightly lower due to severe winter weather. Forestry and road expenses decreased seasonally.

**Q2 2021 Outlook** – Weyerhaeuser expects second quarter earnings and Adjusted EBITDA will be comparable to the first quarter. In the West, the company anticipates significantly higher fee harvest volumes will be offset by seasonally higher forestry and road expenses. In the South, the company expects significantly higher fee harvest volumes and comparable average sales realizations, partially offset by seasonally higher forestry and road expenses. In the North, fee harvest volumes will decrease significantly due to spring break-up.

## REAL ESTATE, ENERGY & NATURAL RESOURCES

<b>FINANCIAL HIGHLIGHTS</b> <b>(millions)</b>	<b>2020</b> <b>Q4</b>	<b>2021</b> <b>Q1</b>	<b>Change</b>
Net sales	\$30	\$106	\$76
Net contribution to pretax earnings	\$14	\$66	\$52
Adjusted EBITDA	\$23	\$96	\$73

**Q1 2021 Performance** – Real estate sales increased compared with the fourth quarter due to a significantly higher number of acres sold. Average price per acre and average land basis decreased due to the mix of properties sold.

**Q2 2021 Outlook** – Weyerhaeuser anticipates second quarter earnings and Adjusted EBITDA will be moderately lower than first quarter 2021 due to the timing of real estate transactions. The company continues to expect full year 2021 Adjusted EBITDA for the segment will be approximately \$255 million.

## WOOD PRODUCTS

<b>FINANCIAL HIGHLIGHTS</b> <b>(millions)</b>	<b>2020</b> <b>Q4</b>	<b>2021</b> <b>Q1</b>	<b>Change</b>
Net sales	\$1,652	\$2,021	\$369
Net contribution to pretax earnings	\$481	\$840	\$359
Adjusted EBITDA	\$530	\$889	\$359

**Q1 2021 Performance** – Benchmark prices for lumber and oriented strand board reached new record levels in the first quarter, and average sales realizations for lumber and oriented strand board increased 42 percent and 22 percent, respectively, compared with fourth quarter averages. Average realizations for engineered wood products also improved as the company captured the benefit of previously announced price increases. These improvements were partially offset by higher raw material costs, primarily for Canadian logs and oriented strand board webstock. Operating rates in lumber and engineered wood products decreased slightly as a result of weather-related downtime in the U.S. South. Lumber sales volumes were modestly lower as customer takeaway and supply chains were temporarily disrupted following the severe winter weather.

**Q2 2021 Outlook** – Excluding the effect of changes in average sales realizations for lumber and oriented strand board, the company expects second quarter earnings and Adjusted EBITDA will be significantly higher than the first quarter. The company anticipates higher sales volumes for lumber and increased sales realizations for engineered wood products will be partially offset by higher raw material costs, primarily for oriented strand board webstock, and lower operating rates for oriented strand board due to planned maintenance outages. To date, second quarter benchmark pricing for lumber and oriented strand board is significantly higher than the first quarter average.

## **ABOUT WEYERHAEUSER**

[Weyerhaeuser Company](#), one of the world's largest private owners of [timberlands](#), began operations in 1900. We own or control approximately 11 million acres of timberlands in the U.S. and manage additional timberlands under long-term licenses in Canada. We manage these timberlands on a [sustainable](#) basis in compliance with internationally recognized forestry standards. We are also one of the largest manufacturers of [wood products](#) in North America. Our company is a real estate investment trust. In 2020, we generated \$7.5 billion in net sales and employed approximately 9,400 people who serve customers worldwide. We are listed on the Dow Jones Sustainability North America Index. Our common stock trades on the New York Stock Exchange under the symbol WY. Learn more at [www.weyerhaeuser.com](http://www.weyerhaeuser.com).

## **EARNINGS CALL INFORMATION**

Weyerhaeuser will hold a live conference call at 7 a.m. Pacific (10 a.m. Eastern) on April 30, 2021 to discuss first quarter results.

To access the live webcast and presentation online, go to the [Investor Relations](#) section on [www.weyerhaeuser.com](http://www.weyerhaeuser.com) on April 30, 2021.

To join the conference call from within North America, dial 877-407-0792 (access code: 13714047) at least 15 minutes prior to the call. Those calling from outside North America should dial 201-689-8263 (access code: 13714047). Replays will be available for two weeks at 844-512-2921 (access code: 13714047) from within North America, and at 412-317-6671 (access code: 13714047) from outside North America.

## **FORWARD-LOOKING STATEMENTS**

This news release 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 our outlook and expectations concerning the following: earnings and Adjusted EBITDA for each of our businesses; operational excellence initiatives; log sales realizations; forestry and road expenses; fee harvest volumes; raw materials costs for our wood products business; operating rates for the manufacture of our oriented strand board products; and sales volumes for our lumber and sales realizations for our engineered wood products lines. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often involve use of words such as “anticipate,” “expect,” “planned,” “will,” and similar words and expressions. 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, but are not limited to:

- 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;
- the successful execution of our internal plans and strategic initiatives, including restructuring and cost reduction 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 the accuracy of our estimates of charges related to casualty losses;
- changes in accounting principles; and
- other risks and uncertainties identified in our 2020 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.

## RECONCILIATION OF ADJUSTED EBITDA TO NET EARNINGS

We reconcile Adjusted EBITDA to net earnings for the consolidated company and to operating income (loss) for the business segments, as those are the most directly comparable U.S. GAAP measures for each.

The table below reconciles Adjusted EBITDA for the quarter ended December 31, 2020:

(millions)	Timberlands	Real Estate & ENR	Wood Products	Unallocated Items	Total
Adjusted EBITDA by Segment:					
Net earnings					\$ 292
Interest expense, net of capitalized interest <sup>(1)</sup>					144
Income taxes					19
<b>Net contribution (charge) to earnings</b>	<b>\$ 286</b>	<b>\$ 14</b>	<b>\$ 481</b>	<b>\$ (326)</b>	<b>\$ 455</b>
Non-operating pension and other post-employment benefit costs <sup>(2)</sup>	—	—	—	262	262
Interest income and other	—	—	—	—	—
<b>Operating income (loss)</b>	<b>286</b>	<b>14</b>	<b>481</b>	<b>(64)</b>	<b>717</b>
Depreciation, depletion and amortization	63	4	49	1	117
Basis of real estate sold	—	5	—	—	5
Special items included in operating income (loss) <sup>(3)</sup>	(182)	—	—	—	(182)
<b>Adjusted EBITDA</b>	<b>\$ 167</b>	<b>\$ 23</b>	<b>\$ 530</b>	<b>\$ (63)</b>	<b>\$ 657</b>

(1) Interest expense, net of capitalized interest includes a pretax special item consisting of a \$58 million charge related to the early extinguishment of \$500 million of 4.625 percent notes due September 2023.

(2) Non-operating pension and other post-employment benefit costs includes a pretax special item consisting of a \$253 million noncash settlement charge related to the transfer of pension assets and liabilities through the purchase of a group annuity contract.

(3) Operating income (loss) includes a pretax special item consisting of a \$182 million gain on sale of certain southern Oregon timberlands.

The table below reconciles Adjusted EBITDA for the quarter ended March 31, 2021:

(millions)	Timberlands	Real Estate & ENR	Wood Products	Unallocated Items	Total
Adjusted EBITDA by Segment:					
Net earnings					\$ 681
Interest expense, net of capitalized interest					79
Income taxes					189
<b>Net contribution (charge) to earnings</b>	<b>\$ 108</b>	<b>\$ 66</b>	<b>\$ 840</b>	<b>\$ (65)</b>	<b>\$ 949</b>
Non-operating pension and other post-employment benefit costs	—	—	—	8	8
Interest income and other	—	—	—	(1)	(1)
<b>Operating income (loss)</b>	<b>108</b>	<b>66</b>	<b>840</b>	<b>(58)</b>	<b>956</b>
Depreciation, depletion and amortization	64	3	49	2	118
Basis of real estate sold	—	27	—	—	27
<b>Adjusted EBITDA</b>	<b>\$ 172</b>	<b>\$ 96</b>	<b>\$ 889</b>	<b>\$ (56)</b>	<b>\$ 1,101</b>

The table below reconciles Adjusted EBITDA for the quarter ended March 31, 2020:

(millions)	Timberlands	Real Estate & ENR	Wood Products	Unallocated Items	Total
Adjusted EBITDA by Segment:					
Net earnings					\$ 150
Interest expense, net of capitalized interest					85
Income taxes					(3)
<b>Net contribution (charge) to earnings</b>	<b>\$ 105</b>	<b>\$ 36</b>	<b>\$ 134</b>	<b>\$ (43)</b>	<b>\$ 232</b>
Non-operating pension and other post-employment benefit costs	—	—	—	9	9
Interest income and other	—	—	—	(1)	(1)
<b>Operating income (loss)</b>	<b>105</b>	<b>36</b>	<b>134</b>	<b>(35)</b>	<b>240</b>
Depreciation, depletion and amortization	68	3	50	2	123
Basis of real estate sold	—	62	—	—	62
Special items included in operating income (loss) <sup>(1)</sup>	—	—	—	(12)	(12)
<b>Adjusted EBITDA</b>	<b>\$ 173</b>	<b>\$ 101</b>	<b>\$ 184</b>	<b>\$ (45)</b>	<b>\$ 413</b>

(1) Operating income (loss) includes a pretax special item consisting of a \$12 million noncash legal benefit.

## RECONCILIATION OF NET EARNINGS BEFORE SPECIAL ITEMS TO NET EARNINGS

We reconcile net earnings before special items to net earnings and net earnings per diluted share before special items to net earnings per diluted share, as those are the most directly comparable U.S. GAAP measures. We believe the measures provide meaningful supplemental information for investors about our operating performance, better facilitate period to period comparisons and are widely used by analysts, lenders, rating agencies and other interested parties.

The table below reconciles net earnings before special items to net earnings:

(millions)	2020 Q4	2021 Q1	2020 Q1
<b>Net earnings</b>	<b>\$292</b>	<b>\$681</b>	<b>\$150</b>
Early extinguishment of debt charge	58	—	—
Gain on sale of timberlands	(182)	—	—
Legal benefit	—	—	(12)
Pension settlement charge	193	—	—
<b>Net earnings before special items</b>	<b>\$361</b>	<b>\$681</b>	<b>\$138</b>

The table below reconciles net earnings per diluted share before special items to net earnings per diluted share:

(millions)	2020 Q4	2021 Q1	2020 Q1
<b>Net earnings per diluted share</b>	<b>\$0.39</b>	<b>\$0.91</b>	<b>\$0.20</b>
Early extinguishment of debt charge	0.07	—	—
Gain on sale of timberlands	(0.24)	—	—
Legal benefit	—	—	(0.02)
Pension settlement charge	0.26	—	—
<b>Net earnings per diluted share before special items</b>	<b>\$0.48</b>	<b>\$0.91</b>	<b>\$0.18</b>

## Q1.2021 Analyst Package

Preliminary results (unaudited)

## Consolidated Statement of Operations

in millions	Q4	Q1	
	December 31, 2020	March 31, 2021	March 31, 2020
<b>Net sales</b>	\$ 2,063	\$ 2,506	\$ 1,728
Costs of sales	1,392	1,430	1,382
<b>Gross margin</b>	<b>671</b>	<b>1,076</b>	<b>346</b>
Selling expenses	21	20	22
General and administrative expenses	93	90	74
Gain on sale of timberlands	(182)	—	—
Other operating costs, net	22	10	10
<b>Operating income</b>	<b>717</b>	<b>956</b>	<b>240</b>
Non-operating pension and other post-employment benefit costs	(262)	(8)	(9)
Interest income and other	—	1	1
Interest expense, net of capitalized interest	(144)	(79)	(85)
Earnings before income taxes	311	870	147
Income taxes	(19)	(189)	3
<b>Net earnings</b>	<b>\$ 292</b>	<b>\$ 681</b>	<b>\$ 150</b>

## Per Share Information

	Q4	Q1	
	December 31, 2020	March 31, 2021	March 31, 2020
Earnings per share, basic and diluted	\$ 0.39	\$ 0.91	\$ 0.20
Dividends paid per common share	\$ 0.17	\$ 0.17	\$ 0.34
Weighted average shares outstanding (in thousands):			
Basic	747,294	748,718	746,534
Diluted	749,004	750,024	747,155
Common shares outstanding at end of period (in thousands)	747,385	748,751	746,206

## Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization (Adjusted EBITDA)

in millions	Q4	Q1	
	December 31, 2020	March 31, 2021	March 31, 2020
<b>Net earnings</b>	\$ 292	\$ 681	\$ 150
Non-operating pension and other post-employment benefit costs	262	8	9
Interest income and other	—	(1)	(1)
Interest expense, net of capitalized interest	144	79	85
Income taxes	19	189	(3)
<b>Operating income</b>	<b>717</b>	<b>956</b>	<b>240</b>
Depreciation, depletion and amortization	117	118	123
Basis of real estate sold	5	27	62
Special items included in operating income	(182)	—	(12)
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ 657</b>	<b>\$ 1,101</b>	<b>\$ 413</b>

<sup>(1)</sup> 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. Our definition of Adjusted EBITDA may be different from similarly titled measures reported by other companies. Adjusted EBITDA should not be considered in isolation from, and is not intended to represent an alternative to, our GAAP results.

## Q1.2021 Analyst Package

Preliminary results (unaudited)

## Special Items Included in Net Earnings (Income Tax Affected)

in millions	Q4	Q1	
	December 31, 2020	March 31, 2021	March 31, 2020
<b>Net earnings</b>	\$ 292	\$ 681	\$ 150
Early extinguishment of debt charge <sup>(1)</sup>	58	—	—
Gain on sale of timberlands	(182)	—	—
Legal benefit	—	—	(12)
Pension settlement charge	193	—	—
<b>Net earnings before special items<sup>(2)</sup></b>	<b>\$ 361</b>	<b>\$ 681</b>	<b>\$ 138</b>

in millions	Q4	Q1	
	December 31, 2020	March 31, 2021	March 31, 2020
<b>Net earnings per diluted share</b>	\$ 0.39	\$ 0.91	\$ 0.20
Early extinguishment of debt charge <sup>(1)</sup>	0.07	—	—
Gain on sale of timberlands	(0.24)	—	—
Legal benefit	—	—	(0.02)
Pension settlement charge	0.26	—	—
<b>Net earnings per diluted share before special items<sup>(2)</sup></b>	<b>\$ 0.48</b>	<b>\$ 0.91</b>	<b>\$ 0.18</b>

<sup>(1)</sup> We recorded a pretax charge of \$58 million (\$58 million after-tax) related to the early extinguishment of debt in fourth quarter 2020. This charge was included in Interest expense, net of capitalized interest in the Consolidated Statement of Operations.

<sup>(2)</sup> Net earnings before special items is a non-GAAP measure that management believes provides helpful context in understanding the company's earnings performance. Net earnings before special items should not be considered in isolation from, and is not intended to represent an alternative to, our GAAP results.

## Selected Total Company Items

in millions	Q4	Q1	
	December 31, 2020	March 31, 2021	March 31, 2020
Pension and post-employment costs:			
Pension and post-employment service costs	\$ 9	\$ 11	\$ 10
Non-operating pension and other post-employment benefit costs	262	8	9
<b>Total company pension and post-employment costs</b>	<b>\$ 271</b>	<b>\$ 19</b>	<b>\$ 19</b>



Weyerhaeuser Company

Q1.2021 Analyst Package

Preliminary results (unaudited)

Consolidated Balance Sheet

in millions	December 31, 2020	March 31, 2021	March 31, 2020
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 495	\$ 1,016	\$ 1,458
Receivables, net	450	589	390
Receivables for taxes	82	7	24
Inventories	443	505	480
Prepaid expenses and other current assets	139	141	141
Total current assets	1,609	2,258	2,493
Property and equipment, net	2,013	1,971	1,911
Construction in progress	73	91	153
Timber and timberlands at cost, less depletion	11,827	11,776	11,847
Minerals and mineral rights, less depletion	268	265	278
Deferred tax assets	120	106	147
Other assets	401	407	399
<b>Total assets</b>	<b>\$ 16,311</b>	<b>\$ 16,874</b>	<b>\$ 17,228</b>
<b>LIABILITIES AND EQUITY</b>			
Current liabilities:			
Current maturities of long-term debt	\$ 150	\$ 150	\$ 577
Borrowings on line of credit	—	—	550
Accounts payable	204	236	241
Accrued liabilities	596	549	448
Total current liabilities	950	935	1,816
Long-term debt, net	5,325	5,325	6,299
Deferred tax liabilities	24	26	10
Deferred pension and other post-employment benefits	911	893	669
Other liabilities	370	367	352
<b>Total liabilities</b>	<b>7,580</b>	<b>7,546</b>	<b>9,146</b>
<b>Total equity</b>	<b>8,731</b>	<b>9,328</b>	<b>8,082</b>
<b>Total liabilities and equity</b>	<b>\$ 16,311</b>	<b>\$ 16,874</b>	<b>\$ 17,228</b>

Weyerhaeuser Company

Q1.2021 Analyst Package

Preliminary results (unaudited)

Consolidated Statement of Cash Flows

in millions	Q4	Q1	
	December 31, 2020	March 31, 2021	March 31, 2020
<b>Cash flows from operations:</b>			
Net earnings	\$ 292	\$ 681	\$ 150
Noncash charges (credits) to earnings:			
Depreciation, depletion and amortization	117	118	123
Basis of real estate sold	5	27	62
Deferred income taxes, net	(76)	8	(82)
Pension and other post-employment benefits	271	19	19
Share-based compensation expense	8	7	7
Gain on sale of timberlands	(182)	—	—
Change in:			
Receivables, net	51	(139)	(82)
Receivables and payables for taxes	(38)	120	79
Inventories	(27)	(60)	(72)
Prepaid expenses and other current assets	(9)	(2)	(2)
Accounts payable and accrued liabilities	(20)	(60)	(91)
Pension and post-employment benefit contributions and payments	(9)	(8)	(10)
Other	61	(13)	(15)
<b>Net cash from operations</b>	<b>\$ 444</b>	<b>\$ 698</b>	<b>\$ 86</b>
<b>Cash flows from investing activities:</b>			
Capital expenditures for property and equipment	\$ (67)	\$ (31)	\$ (47)
Capital expenditures for timberlands reforestation	(15)	(22)	(21)
Acquisition of timberlands	(425)	—	—
Proceeds from note receivable held by variable interest entities	—	—	362
Proceeds from sale of timberlands	381	—	145
Other	—	—	2
<b>Net cash from investing activities</b>	<b>\$ (126)</b>	<b>\$ (53)</b>	<b>\$ 441</b>
<b>Cash flows from financing activities:</b>			
Cash dividends on common shares	\$ (127)	\$ (127)	\$ (254)
Net proceeds from issuance of long-term debt	—	—	732
Payments on long-term debt	(556)	—	—
Proceeds from borrowings on line of credit	—	—	550
Payments on line of credit	—	—	(230)
Proceeds from exercise of stock options	24	17	6
Other	(4)	(14)	(12)
<b>Net cash from financing activities</b>	<b>\$ (663)</b>	<b>\$ (124)</b>	<b>\$ 792</b>
Net change in cash and cash equivalents	\$ (345)	\$ 521	\$ 1,319
Cash and cash equivalents at beginning of period	840	495	139
<b>Cash and cash equivalents at end of period</b>	<b>\$ 495</b>	<b>\$ 1,016</b>	<b>\$ 1,458</b>
Cash paid (received) during the period for:			
Interest, net of amounts capitalized	\$ 87	\$ 75	\$ 108
Income taxes, net of refunds	\$ 130	\$ 66	\$ —

## Q1.2021 Analyst Package

Preliminary results (unaudited)

## Segment Statement of Operations

in millions	Q4.2020	Q1.2021	Q1.2020
Sales to unaffiliated customers	\$ 381	\$ 379	\$ 381
Intersegment sales	121	134	122
<b>Total net sales</b>	<b>502</b>	<b>513</b>	<b>503</b>
Costs of sales	375	383	375
<b>Gross margin</b>	<b>127</b>	<b>130</b>	<b>128</b>
Selling expenses	1	—	—
General and administrative expenses	23	23	24
Gain on sale of timberlands	(182)	—	—
Other operating income, net	(1)	(1)	(1)
<b>Operating income and Net contribution to earnings</b>	<b>\$ 286</b>	<b>\$ 108</b>	<b>\$ 105</b>

Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization<sup>(1)</sup>

in millions	Q4.2020	Q1.2021	Q1.2020
<b>Operating income</b>	<b>\$ 286</b>	<b>\$ 108</b>	<b>\$ 105</b>
Depreciation, depletion and amortization	63	64	68
Special items	(182)	—	—
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ 167</b>	<b>\$ 172</b>	<b>\$ 173</b>

<sup>(1)</sup> See definition of Adjusted EBITDA (a non-GAAP measure) on page 1.

## Segment Special Items Included in Net Contribution to Earnings (Pretax)

in millions	Q4.2020	Q1.2021	Q1.2020
Gain on sale of timberlands	\$ 182	\$ —	\$ —

## Selected Segment Items

in millions	Q4.2020	Q1.2021	Q1.2020
Total decrease (increase) in working capital <sup>(2)</sup>	\$ (47)	\$ (13)	\$ (3)
Cash spent for capital expenditures <sup>(3)</sup>	\$ (29)	\$ (28)	\$ (30)

<sup>(2)</sup> Represents the change in prepaid assets, accounts receivable, accounts payable, accrued liabilities and log inventory for the Timberlands and Real Estate & ENR segments combined.<sup>(3)</sup> Does not include cash spent for the acquisition of timberlands.Segment Statistics<sup>(4)</sup>

		Q4.2020	Q1.2021	Q1.2020	
Third Party Net Sales (millions)	Delivered logs:				
	West	\$ 201	\$ 201	\$ 177	
	South	137	131	150	
	North	15	16	17	
	Total delivered logs	353	348	344	
	Stumpage and pay-as-cut timber	4	6	5	
	Recreational and other lease revenue	16	16	15	
	Other revenue	8	9	17	
	Total	<u>\$ 381</u>	<u>\$ 379</u>	<u>\$ 381</u>	
	Delivered Logs	West	\$ 124.37	\$ 130.69	\$ 104.91
Third Party Sales	South	\$ 33.69	\$ 34.50	\$ 34.27	
Realizations (per ton)	North	\$ 58.96	\$ 62.83	\$ 60.51	
Delivered Logs	West	1,619	1,539	1,684	
	Third Party Sales	South	4,097	3,782	4,365
	Volumes (tons, thousands)	North	241	261	284
Fee Harvest Volumes (tons, thousands)	West	2,085	2,101	2,310	
	South	5,509	5,376	6,130	
	North	325	337	386	

<sup>(4)</sup> Western logs are primarily transacted in MBF but are converted to ton equivalents for external reporting purposes.

## Q1.2021 Analyst Package

Preliminary results (unaudited)

## Segment Statement of Operations

in millions	Q4.2020	Q1.2021	Q1.2020
<b>Net sales</b>	\$ 30	\$ 106	\$ 112
Costs of sales	9	34	70
<b>Gross margin</b>	21	72	42
General and administrative expenses	7	6	6
<b>Operating income and Net contribution to earnings</b>	<u>\$ 14</u>	<u>\$ 66</u>	<u>\$ 36</u>

Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization<sup>(1)</sup>

in millions	Q4.2020	Q1.2021	Q1.2020
<b>Operating income</b>	\$ 14	\$ 66	\$ 36
Depreciation, depletion and amortization	4	3	3
Basis of real estate sold	5	27	62
<b>Adjusted EBITDA<sup>(1)</sup></b>	<u>\$ 23</u>	<u>\$ 96</u>	<u>\$ 101</u>

<sup>(1)</sup> See definition of Adjusted EBITDA (a non-GAAP measure) on page 1.

## Selected Segment Items

in millions	Q4.2020	Q1.2021	Q1.2020
Cash spent for capital expenditures	\$ —	\$ —	\$ —

## Segment Statistics

		Q4.2020	Q1.2021	Q1.2020
Net Sales (millions)	Real Estate	\$ 10	\$ 84	\$ 95
	Energy and Natural Resources	20	22	17
	Total	<u>\$ 30</u>	<u>\$ 106</u>	<u>\$ 112</u>
Acres Sold	Real Estate	670	19,455	44,974
Price per Acre	Real Estate	\$ 6,316	\$ 3,803	\$ 1,992
Basis as a Percent of Real Estate Net Sales	Real Estate	50%	32%	65%

## Q1.2021 Analyst Package

Preliminary results (unaudited)

## Segment Statement of Operations

in millions	Q4.2020	Q1.2021	Q1.2020
<b>Net sales</b>	<b>\$ 1,652</b>	<b>\$ 2,021</b>	<b>\$ 1,235</b>
Costs of sales	1,109	1,124	1,040
<b>Gross margin</b>	<b>543</b>	<b>897</b>	<b>195</b>
Selling expenses	20	19	21
General and administrative expenses	34	35	36
Other operating costs, net	8	3	4
<b>Operating income and Net contribution to earnings</b>	<b>\$ 481</b>	<b>\$ 840</b>	<b>\$ 134</b>

Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization<sup>(1)</sup>

in millions	Q4.2020	Q1.2021	Q1.2020
<b>Operating income</b>	<b>\$ 481</b>	<b>\$ 840</b>	<b>\$ 134</b>
Depreciation, depletion and amortization	49	49	50
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ 530</b>	<b>\$ 889</b>	<b>\$ 184</b>

<sup>(1)</sup> See definition of Adjusted EBITDA (a non-GAAP measure) on page 1.

## Selected Segment Items

in millions	Q4.2020	Q1.2021	Q1.2020
Total decrease (increase) in working capital <sup>(2)</sup>	\$ 16	\$ (212)	\$ (186)
Cash spent for capital expenditures	\$ (52)	\$ (25)	\$ (38)

<sup>(2)</sup> Represents the change in prepaid assets, accounts receivable, accounts payable, accrued liabilities and inventory for the Wood Products segment.

## Segment Statistics

in millions, except for third party sales realizations		Q4.2020	Q1.2021	Q1.2020
Structural Lumber (volumes presented in board feet)	Third party net sales	\$ 737	\$ 990	\$ 508
	Third party sales realizations	\$ 609	\$ 864	\$ 416
	Third party sales volumes <sup>(3)</sup>	1,210	1,145	1,222
	Production volumes	1,179	1,211	1,209
Oriented Strand Board (volumes presented in square feet 3/8")	Third party net sales	\$ 354	\$ 438	\$ 190
	Third party sales realizations	\$ 503	\$ 614	\$ 246
	Third party sales volumes <sup>(3)</sup>	703	714	770
	Production volumes	735	742	777
Engineered Solid Section (volumes presented in cubic feet)	Third party net sales	\$ 132	\$ 142	\$ 127
	Third party sales realizations	\$ 2,221	\$ 2,285	\$ 2,149
	Third party sales volumes <sup>(3)</sup>	6.0	6.2	5.9
	Production volumes	6.2	6.0	6.1
Engineered I-joists (volumes presented in lineal feet)	Third party net sales	\$ 85	\$ 83	\$ 78
	Third party sales realizations	\$ 1,695	\$ 1,773	\$ 1,667
	Third party sales volumes <sup>(3)</sup>	50	47	47
	Production volumes	47	44	47
Softwood Plywood (volumes presented in square feet 3/8")	Third party net sales	\$ 43	\$ 56	\$ 39
	Third party sales realizations	\$ 433	\$ 594	\$ 348
	Third party sales volumes <sup>(3)</sup>	99	94	113
	Production volumes	80	80	97
Medium Density Fiberboard (volumes presented in square feet 3/4")	Third party net sales	\$ 47	\$ 48	\$ 44
	Third party sales realizations	\$ 867	\$ 842	\$ 841
	Third party sales volumes <sup>(3)</sup>	54	57	52
	Production volumes	52	56	56

<sup>(3)</sup> Volumes include sales of internally produced products and products purchased for resale primarily through our distribution business.

## Q1.2021 Analyst Package

Preliminary results (unaudited)

Unallocated items are gains or charges not related to, or allocated to, an individual operating segment. They include all or a portion of items such as share-based compensation, pension and post-employment costs, elimination of intersegment profit in inventory and LIFO, foreign exchange transaction gains and losses, interest income and other as well as legacy obligations.

## Net Charge to Earnings

in millions	Q4.2020	Q1.2021	Q1.2020
Unallocated corporate function and variable compensation expense	\$ (31)	\$ (25)	\$ (19)
Liability classified share-based compensation	(3)	(1)	10
Foreign exchange loss	(4)	(2)	(8)
Elimination of intersegment profit in inventory and LIFO	(13)	(17)	(13)
Other, net	(13)	(13)	(5)
<b>Operating loss</b>	<b>(64)</b>	<b>(58)</b>	<b>(35)</b>
Non-operating pension and other post-employment benefit costs	(262)	(8)	(9)
Interest income and other	—	1	1
<b>Net charge to earnings</b>	<b>\$ (326)</b>	<b>\$ (65)</b>	<b>\$ (43)</b>

Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization<sup>(1)</sup>

in millions	Q4.2020	Q1.2021	Q1.2020
<b>Operating loss</b>	<b>\$ (64)</b>	<b>\$ (58)</b>	<b>\$ (35)</b>
Depreciation, depletion and amortization	1	2	2
Special items	—	—	(12)
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ (63)</b>	<b>\$ (56)</b>	<b>\$ (45)</b>

<sup>(1)</sup> See definition of Adjusted EBITDA (a non-GAAP measure) on page 1.

## Unallocated Special Items Included in Net Charge to Earnings (Pretax)

in millions	Q4.2020	Q1.2021	Q1.2020
Legal benefit	\$ —	\$ —	\$ 12
<b>Special items included in operating loss</b>	<b>—</b>	<b>—</b>	<b>12</b>
Pension settlement charge	(253)	—	—
<b>Special items included in net charge to earnings</b>	<b>\$ (253)</b>	<b>\$ —</b>	<b>\$ 12</b>

## Unallocated Selected Items

in millions	Q4.2020	Q1.2021	Q1.2020
Cash spent for capital expenditures	\$ (1)	\$ —	\$ —