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Weyerhaeuser Reports Third Quarter Results

- **Achieved net earnings of \$482 million, or \$0.64 per diluted share**
- **Generated \$746 million of Adjusted EBITDA**

SEATTLE, October 29, 2021 – Weyerhaeuser Company (NYSE: WY) today reported third quarter net earnings of \$482 million, or 64 cents per diluted share, on net sales of \$2.3 billion. This compares with net earnings of \$283 million, or 38 cents per diluted share, on net sales of \$2.1 billion for the same period last year.

Excluding an after-tax benefit of \$32 million for special items related to a gain on the sale of timberlands, the company reported third quarter net earnings of \$450 million, or 60 cents per diluted share. This compares with net earnings before special items of \$386 million for the same period last year and \$1.0 billion for the second quarter of 2021.

Adjusted EBITDA for the third quarter of 2021 was \$746 million compared with \$745 million for the same period last year and \$1.6 billion for the second quarter of 2021.

“In the third quarter, we delivered strong results across each of our businesses despite weather-related operational disruptions, continued supply chain challenges and the ongoing pandemic,” said Devin W. Stockfish, president and chief executive officer. “Our teams did an exceptional job navigating these headwinds and I’m extremely proud of their collective focus on operating safely, strong execution and continuing to serve our customers. Year to date, we have generated more than \$3.4 billion of Adjusted EBITDA and \$2.4 billion of Adjusted Funds Available for Distribution. We expect this record cash flow generation to result in a significant supplemental dividend payment to shareholders in the first quarter of 2022. We are bullish on the underlying demand fundamentals for U.S. housing and growth opportunities for our businesses and remain intently focused on delivering superior shareholder value.”

WEYERHAEUSER FINANCIAL HIGHLIGHTS

(millions, except per share data)

	2021	2021	2020
	Q2	Q3	Q3
Net sales	\$3,144	\$2,345	\$2,110
Net earnings	\$1,028	\$482	\$283
Net earnings per diluted share	\$1.37	\$0.64	\$0.38
Weighted average shares outstanding, diluted	752	751	748
Net earnings before special items ⁽¹⁾⁽²⁾	\$1,028	\$450	\$386
Net earnings per diluted share before special items ⁽¹⁾	\$1.37	\$0.60	\$0.52
Adjusted EBITDA ⁽¹⁾	\$1,573	\$746	\$745
Net cash from operations	\$1,308	\$659	\$608
Adjusted FAD ⁽³⁾	\$1,236	\$561	\$543

(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) Third quarter 2021 after-tax special items includes a \$32 million gain on the sale of timberlands. Special items for prior periods presented are included in the reconciliation tables within this release.

(3) 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. A reconciliation of Adjusted FAD to net cash from operations is included within this release.

TIMBERLANDS

FINANCIAL HIGHLIGHTS

(millions)	2021	2021	Change
	Q2	Q3	
Net sales	\$541	\$552	\$11
Net contribution to pretax earnings	\$113	\$133	\$20
Pretax benefit for special items	\$—	(\$32)	(\$32)
Net contribution to pretax earnings before special items	\$113	\$101	(\$12)
Adjusted EBITDA	\$180	\$165	(\$15)

Q3 2021 Performance – In the West, fee harvest volumes were modestly lower than the second quarter due to continued salvage operations and harvest restrictions resulting from regional wildfire activity. Per unit log and haul costs increased as Western harvest activity shifted to higher elevation units. Export sales realizations were moderately higher, driven by strong demand. In the South, sales realizations for sawlogs and fiber logs improved and fee harvest volumes increased slightly, but harvest activity was affected by persistent wet conditions and weather events. Per unit log and haul costs and forestry and road costs were slightly higher.

Third quarter special items consist of a \$32 million gain on the previously announced sale of 145 thousand acres of timberlands in the North Cascades region of Washington, which was completed in July.

Q4 2021 Outlook – Weyerhaeuser expects fourth quarter earnings and Adjusted EBITDA will be comparable to the third quarter. In the West, the company expects moderately higher fee harvest volumes and lower per unit log and haul costs, as salvage-related harvest will decrease. Domestic sales realizations are expected to be moderately lower compared to the third quarter. In the South, the company expects slightly higher fee harvest volumes due to improving weather conditions as well as slightly higher sales realizations as mills rebuild from lower than normal inventory levels. This is expected to be offset by slightly higher per unit log and haul costs as well as moderately higher forestry and road costs.

REAL ESTATE, ENERGY & NATURAL RESOURCES

FINANCIAL HIGHLIGHTS

(millions)	2021	2021	Change
	Q2	Q3	
Net sales	\$110	\$69	(\$41)
Net contribution to pretax earnings	\$63	\$45	(\$18)
Adjusted EBITDA	\$91	\$60	(\$31)

Q3 2021 Performance – Earnings and Adjusted EBITDA decreased from the second quarter due to lower real estate sales. The number of real estate acres sold decreased due to the timing of real estate transactions, partially offset by an increase in the average price per acre due to the mix of properties sold.

Q4 2021 Outlook – Weyerhaeuser anticipates fourth quarter earnings and Adjusted EBITDA will be significantly lower than the third quarter due to the timing of transactions. The company still expects full year 2021 Adjusted EBITDA will be approximately \$290 million, although basis as a percentage of real estate sales is now expected to be 25 to 30 percent for the full year.

WOOD PRODUCTS

FINANCIAL HIGHLIGHTS

(millions)	2021	2021	Change
	Q2	Q3	
Net sales	\$2,629	\$1,853	(\$776)
Net contribution to pretax earnings	\$1,338	\$517	(\$821)
Adjusted EBITDA	\$1,386	\$565	(\$821)

Q3 2021 Performance – Sales realizations for lumber and oriented strand board decreased 52 percent and 24 percent, respectively, compared with second quarter averages. Sales volumes for lumber increased moderately due to improvement in home center takeaway, partially offset by weather-related downtime. Oriented strand board production and sales volumes were modestly higher due to less downtime for planned maintenance. Sales realizations improved significantly across most engineered wood products, and the company continued to benefit from previously announced price increases for solid section and I-joist products. Raw material costs for Wood Products increased, primarily for oriented strand board webstock, resin and veneer.

Q4 2021 Outlook – Weyerhaeuser anticipates fourth quarter earnings and Adjusted EBITDA will be higher than the third quarter, excluding the effect of changes in average sales realizations for lumber and oriented strand board. The company expects higher sales volumes, primarily for oriented strand board, as well as improved manufacturing costs due to lower planned maintenance downtime. Raw material costs are expected to be lower, primarily for oriented strand board webstock.

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.

EARNINGS CALL INFORMATION

Weyerhaeuser will hold a live conference call at 7 a.m. Pacific (10 a.m. Eastern) on October 29, 2021 to discuss third quarter results.

To access the live webcast and presentation online, go to the [Investor Relations](#) section on www.weyerhaeuser.com on October 29, 2021.

To join the conference call from within North America, dial 877-407-0792 (access code: 13714049) at least 15 minutes prior to the call. Those calling from outside North America should dial 201-689-8263 (access code: 13714049). Replays will be available for two weeks at 844-512-2921 (access code: 13714049) from within North America, and at 412-317-6671 (access code: 13714049) 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: fourth quarter earnings and Adjusted EBITDA for each of our businesses and full-year Adjusted EBITDA for our Real Estate, Energy & Natural Resources business; log sales realizations; forestry and road costs; log and haul costs; fee harvest volumes, including salvage-related harvest activity; basis as a percentage of real estate sales; raw materials costs for our Wood Products business; the amount of manufacturing downtime due to scheduled maintenance; average sales realizations for our lumber and oriented strand board products; sales volumes for oriented strand board and sales realizations for our lumber and oriented strand board product 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, 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;
- 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 June 30, 2021:

(millions)	Timberlands	Real Estate & ENR	Wood Products	Unallocated Items	Total
Adjusted EBITDA by Segment:					
Net earnings					\$1,028
Interest expense, net of capitalized interest					78
Income taxes					324
Net contribution (charge) to earnings	\$113	\$63	\$1,338	\$(84)	\$1,430
Non-operating pension and other post-employment benefit costs	—	—	—	1	1
Interest income and other	—	—	—	(2)	(2)
Operating income (loss)	113	63	1,338	(85)	1,429
Depreciation, depletion and amortization	67	4	48	1	120
Basis of real estate sold	—	24	—	—	24
Adjusted EBITDA	\$180	\$91	\$1,386	\$(84)	\$1,573

The table below reconciles Adjusted EBITDA for the quarter ended September 30, 2021:

(millions)	Timberlands	Real Estate & ENR	Wood Products	Unallocated Items	Total
Adjusted EBITDA by Segment:					
Net earnings					\$482
Interest expense, net of capitalized interest					79
Income taxes					84
Net contribution (charge) to earnings	\$133	\$45	\$517	\$(50)	\$645
Non-operating pension and other post-employment benefit costs	—	—	—	5	5
Interest income and other	—	—	—	(1)	(1)
Operating income (loss)	133	45	517	(46)	649
Depreciation, depletion and amortization	64	4	48	2	118
Basis of real estate sold	—	11	—	—	11
Special items included in operating income (loss) ⁽¹⁾	(32)	—	—	—	(32)
Adjusted EBITDA	\$165	\$60	\$565	\$(44)	\$746

(1) Operating income (loss) includes a pretax special item consisting of a \$32 million gain on the sale of timberlands.

The table below reconciles Adjusted EBITDA for the quarter ended September 30, 2020:

(millions)	<u>Timberlands</u>	<u>Real Estate & ENR</u>	<u>Wood Products</u>	<u>Unallocated Items</u>	<u>Total</u>
Adjusted EBITDA by Segment:					
Net earnings					\$283
Interest expense, net of capitalized interest ⁽¹⁾					111
Income taxes					109
Net contribution (charge) to earnings	\$(11)	\$17	\$566	\$(69)	\$503
Non-operating pension and other post-employment benefit costs	—	—	—	9	9
Interest income and other	—	—	—	(2)	(2)
Operating income (loss)	(11)	17	566	(62)	510
Depreciation, depletion and amortization	61	3	49	2	115
Basis of real estate sold	—	40	—	—	40
Special items included in operating income (loss) ⁽²⁾	80	—	—	—	80
Adjusted EBITDA	\$130	\$60	\$615	\$(60)	\$745

(1) Interest expense, net of capitalized interest includes a pretax special item consisting of a \$23 million charge related to the early extinguishment of \$325 million of 3.25 percent notes due March 2023.

(2) Operating income (loss) includes a pretax special item consisting of an \$80 million timber casualty loss.

The table below reconciles Adjusted EBITDA for the year-to-date period ended September 30, 2021:

(millions)	<u>Timberlands</u>	<u>Real Estate & ENR</u>	<u>Wood Products</u>	<u>Unallocated Items</u>	<u>Total</u>
Adjusted EBITDA by Segment:					
Net earnings					\$2,191
Interest expense, net of capitalized interest					236
Income taxes					597
Net contribution (charge) to earnings	\$354	\$174	\$2,695	\$(199)	\$3,024
Non-operating pension and other post-employment benefit costs	—	—	—	14	14
Interest income and other	—	—	—	(4)	(4)
Operating income (loss)	354	174	2,695	(189)	3,034
Depreciation, depletion and amortization	195	11	145	5	356
Basis of real estate sold	—	62	—	—	62
Special items included in operating income (loss) ⁽¹⁾	(32)	—	—	—	(32)
Adjusted EBITDA	\$517	\$247	\$2,840	\$(184)	\$3,420

(1) Operating income (loss) includes a pretax special item consisting of a \$32 million gain on the sale of timberlands.

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)	2021 Q2	2021 Q3	2020 Q3
Net earnings	\$1,028	\$482	\$283
Early extinguishment of debt charge	—	—	23
Gain on sale of timberlands	—	(32)	—
Timber casualty loss	—	—	80
Net earnings before special items	\$1,028	\$450	\$386

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

	2021 Q2	2021 Q3	2020 Q3
Net earnings per diluted share	\$1.37	\$0.64	\$0.38
Early extinguishment of debt charge	—	—	0.03
Gain on sale of timberlands	—	(0.04)	—
Timber casualty loss	—	—	0.11
Net earnings per diluted share before special items	\$1.37	\$0.60	\$0.52

RECONCILIATION OF ADJUSTED FAD TO NET CASH FROM OPERATIONS

We reconcile Adjusted FAD to net cash from operations, as that is the most directly comparable U.S. GAAP measure. We believe the measure provides meaningful supplemental information for investors about our liquidity.

The table below reconciles Adjusted FAD to net cash from operations:

(millions)	2021 Q2	2021 Q3	2020 Q3	2021 Q3 YTD
Net cash from operations	\$1,308	\$659	\$608	\$2,665
Capital expenditures	(72)	(98)	(65)	(223)
Adjustments to FAD	—	—	—	—
Adjusted FAD	\$1,236	\$561	\$543	\$2,442

Q3.2021 Analyst Package

Preliminary results (unaudited)

Consolidated Statement of Operations

in millions	Q1	Q2	Q3		Year-to-Date	
	March 31, 2021	June 30, 2021	Sept 30, 2021	Sept 30, 2020	Sept 30, 2021	Sept 30, 2020
Net sales	\$ 2,506	\$ 3,144	\$ 2,345	\$ 2,110	\$ 7,995	\$ 5,469
Costs of sales	1,430	1,583	1,589	1,390	4,602	4,055
Gross margin	1,076	1,561	756	720	3,393	1,414
Selling expenses	20	24	24	22	68	62
General and administrative expenses	90	95	98	96	283	254
Other operating costs (income), net	10	13	(15)	92	8	105
Operating income	956	1,429	649	510	3,034	993
Non-operating pension and other post-employment benefit costs	(8)	(1)	(5)	(9)	(14)	(28)
Interest income and other	1	2	1	2	4	5
Interest expense, net of capitalized interest	(79)	(78)	(79)	(111)	(236)	(299)
Earnings before income taxes	870	1,352	566	392	2,788	671
Income taxes	(189)	(324)	(84)	(109)	(597)	(166)
Net earnings	\$ 681	\$ 1,028	\$ 482	\$ 283	\$ 2,191	\$ 505

Per Share Information

	Q1	Q2	Q3		Year-to-Date	
	March 31, 2021	June 30, 2021	Sept 30, 2021	Sept 30, 2020	Sept 30, 2021	Sept 30, 2020
Earnings per share, basic and diluted	\$ 0.91	\$ 1.37	\$ 0.64	\$ 0.38	\$ 2.92	\$ 0.68
Dividends paid per common share	\$ 0.17	\$ 0.17	\$ 0.17	\$ —	\$ 0.51	\$ 0.34
Weighted average shares outstanding (in thousands):						
Basic	748,718	750,127	750,105	746,996	749,657	746,809
Diluted	750,024	751,508	751,443	748,450	750,999	747,530
Common shares outstanding at end of period (in thousands)	748,751	749,782	749,037	746,398	749,037	746,398

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

in millions	Q1	Q2	Q3		Year-to-Date	
	March 31, 2021	June 30, 2021	Sept 30, 2021	Sept 30, 2020	Sept 30, 2021	Sept 30, 2020
Net earnings	\$ 681	\$ 1,028	\$ 482	\$ 283	\$ 2,191	\$ 505
Non-operating pension and other post-employment benefit costs	8	1	5	9	14	28
Interest income and other	(1)	(2)	(1)	(2)	(4)	(5)
Interest expense, net of capitalized interest	79	78	79	111	236	299
Income taxes	189	324	84	109	597	166
Operating income	956	1,429	649	510	3,034	993
Depreciation, depletion and amortization	118	120	118	115	356	355
Basis of real estate sold	27	24	11	40	62	136
Special items included in operating income	—	—	(32)	80	(32)	60
Adjusted EBITDA⁽¹⁾	\$ 1,101	\$ 1,573	\$ 746	\$ 745	\$ 3,420	\$ 1,544

⁽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. 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.

Q3.2021 Analyst Package

Preliminary results (unaudited)

Special Items Included in Net Earnings (Income Tax Affected)

in millions	Q1	Q2	Q3		Year-to-Date	
	March 31, 2021	June 30, 2021	Sept 30, 2021	Sept 30, 2020	Sept 30, 2021	Sept 30, 2020
Net earnings	\$ 681	\$ 1,028	\$ 482	\$ 283	\$ 2,191	\$ 505
Early extinguishment of debt charges ⁽¹⁾	—	—	—	23	—	34
Gain on sale of timberlands	—	—	(32)	—	(32)	—
Legal benefit	—	—	—	—	—	(12)
Product remediation recovery	—	—	—	—	—	(6)
Timber casualty loss	—	—	—	80	—	80
Net earnings before special items⁽²⁾	\$ 681	\$ 1,028	\$ 450	\$ 386	\$ 2,159	\$ 601

in millions	Q1	Q2	Q3		Year-to-Date	
	March 31, 2021	June 30, 2021	Sept 30, 2021	Sept 30, 2020	Sept 30, 2021	Sept 30, 2020
Net earnings per diluted share	\$ 0.91	\$ 1.37	\$ 0.64	\$ 0.38	\$ 2.92	\$ 0.68
Early extinguishment of debt charges ⁽¹⁾	—	—	—	0.03	—	0.05
Gain on sale of timberlands	—	—	(0.04)	—	(0.04)	—
Legal benefit	—	—	—	—	—	(0.02)
Product remediation recovery	—	—	—	—	—	(0.01)
Timber casualty loss	—	—	—	0.11	—	0.11
Net earnings per diluted share before special items⁽²⁾	\$ 0.91	\$ 1.37	\$ 0.60	\$ 0.52	\$ 2.88	\$ 0.81

⁽¹⁾ We recorded pretax charges of \$11 million (\$11 million after-tax) and \$23 million (\$23 million after-tax) related to the early extinguishment of debt in second quarter 2020 and third quarter 2020, respectively. These charges were included in Interest expense, net of capitalized interest in the Consolidated Statement of Operations.

⁽²⁾ 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	Q1	Q2	Q3		Year-to-Date	
	March 31, 2021	June 30, 2021	Sept 30, 2021	Sept 30, 2020	Sept 30, 2021	Sept 30, 2020
Pension and post-employment costs:						
Pension and post-employment service costs	\$ 11	\$ 10	\$ 11	\$ 9	\$ 32	\$ 27
Non-operating pension and other post-employment benefit costs	8	1	5	9	14	28
Total company pension and post-employment costs	\$ 19	\$ 11	\$ 16	\$ 18	\$ 46	\$ 55

Weyerhaeuser Company

Q3.2021 Analyst Package

Preliminary results (unaudited)

Consolidated Balance Sheet

in millions	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2020
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,016	\$ 1,777	\$ 2,326	\$ 495
Receivables, net	589	702	497	450
Receivables for taxes	7	7	72	82
Inventories	505	499	499	443
Assets held for sale	—	229	—	—
Prepaid expenses and other current assets	141	141	146	139
Total current assets	2,258	3,355	3,540	1,609
Property and equipment, net	1,971	1,965	1,924	2,013
Construction in progress	91	102	169	73
Timber and timberlands at cost, less depletion	11,776	11,643	11,606	11,827
Minerals and mineral rights, less depletion	265	262	258	268
Deferred tax assets	106	71	52	120
Other assets	407	432	543	401
Total assets	\$ 16,874	\$ 17,830	\$ 18,092	\$ 16,311
LIABILITIES AND EQUITY				
Current liabilities:				
Current maturities of long-term debt	\$ 150	\$ 150	\$ 150	\$ 150
Accounts payable	236	253	264	204
Accrued liabilities	549	775	1,110	596
Total current liabilities	935	1,178	1,524	950
Long-term debt, net	5,325	5,100	5,100	5,325
Deferred tax liabilities	26	42	28	24
Deferred pension and other post-employment benefits	893	747	711	911
Other liabilities	367	363	360	370
Total liabilities	7,546	7,430	7,723	7,580
Total equity	9,328	10,400	10,369	8,731
Total liabilities and equity	\$ 16,874	\$ 17,830	\$ 18,092	\$ 16,311

Weyerhaeuser Company

Q3.2021 Analyst Package

Preliminary results (unaudited)

Consolidated Statement of Cash Flows

	Q1	Q2	Q3		Year-to-Date	
	March 31, 2021	June 30, 2021	Sept 30, 2021	Sept 30, 2020	Sept 30, 2021	Sept 30, 2020
in millions						
Cash flows from operations:						
Net earnings	\$ 681	\$ 1,028	\$ 482	\$ 283	\$ 2,191	\$ 505
Noncash charges (credits) to earnings:						
Depreciation, depletion and amortization	118	120	118	115	356	355
Basis of real estate sold	27	24	11	40	62	136
Deferred income taxes, net	8	11	(3)	22	16	20
Pension and other post-employment benefits	19	11	16	18	46	55
Share-based compensation expense	7	8	8	7	23	22
Timber casualty loss	—	—	—	80	—	80
Gain on sale of timberlands	—	—	(32)	—	(32)	—
Change in:						
Receivables, net	(139)	(113)	205	(80)	(47)	(192)
Receivables and payables for taxes	120	116	(143)	42	93	103
Inventories	(60)	9	(4)	—	(55)	2
Prepaid expenses and other current assets	(2)	1	(20)	—	(21)	5
Accounts payable and accrued liabilities	(60)	125	51	64	116	3
Pension and post-employment benefit contributions and payments	(8)	(25)	(23)	(5)	(56)	(21)
Other	(13)	(7)	(7)	22	(27)	12
Net cash from operations	\$ 698	\$ 1,308	\$ 659	\$ 608	\$ 2,665	\$ 1,085
Cash flows from investing activities:						
Capital expenditures for property and equipment	\$ (31)	\$ (62)	\$ (91)	\$ (56)	\$ (184)	\$ (158)
Capital expenditures for timberlands reforestation	(22)	(10)	(7)	(9)	(39)	(41)
Acquisition of Alabama timberlands	—	(149)	—	—	(149)	—
Proceeds from note receivable held by variable interest entities	—	—	—	—	—	362
Proceeds from sale of timberlands	—	—	261	—	261	145
Other	—	1	2	—	3	3
Net cash from investing activities	\$ (53)	\$ (220)	\$ 165	\$ (65)	\$ (108)	\$ 311
Cash flows from financing activities:						
Cash dividends on common shares	\$ (127)	\$ (128)	\$ (127)	\$ —	\$ (382)	\$ (254)
Net proceeds from issuance of long-term debt	—	—	—	—	—	732
Payments on long-term debt	—	(225)	—	(348)	(225)	(936)
Proceeds from borrowings on line of credit	—	—	—	—	—	550
Payments on line of credit	—	—	—	—	—	(780)
Proceeds from exercise of stock options	17	28	1	3	46	9
Repurchases of common shares	—	—	(26)	—	(26)	—
Other	(14)	(2)	(3)	(1)	(19)	(16)
Net cash from financing activities	\$ (124)	\$ (327)	\$ (155)	\$ (346)	\$ (606)	\$ (695)
Net change in cash, cash equivalents and restricted cash	\$ 521	\$ 761	\$ 669	\$ 197	\$ 1,951	\$ 701
Cash, cash equivalents and restricted cash at beginning of period	495	1,016	1,777	643	495	139
Cash, cash equivalents and restricted cash at end of period	\$ 1,016	\$ 1,777	\$ 2,446	\$ 840	\$ 2,446	\$ 840
Cash paid (received) during the period for:						
Interest, net of amounts capitalized	\$ 75	\$ 79	\$ 83	\$ 100	\$ 237	\$ 278
Income taxes, net of refunds	\$ 66	\$ 197	\$ 231	\$ 45	\$ 494	\$ 46

Q3.2021 Analyst Package

Preliminary results (unaudited)

Segment Statement of Operations

in millions	Q1.2021	Q2.2021	Q3.2021	Q3.2020	YTD.2021	YTD.2020
Sales to unaffiliated customers	\$ 379	\$ 405	\$ 423	\$ 345	\$ 1,207	\$ 1,085
Intersegment sales	134	136	129	107	399	350
Total net sales	513	541	552	452	1,606	1,435
Costs of sales	383	407	428	358	1,218	1,116
Gross margin	130	134	124	94	388	319
Selling expenses	—	—	1	—	1	1
General and administrative expenses	23	23	23	24	69	70
Other operating costs (income), net	(1)	(2)	(33)	81	(36)	79
Operating income (loss) and Net contribution (charge) to earnings	\$ 108	\$ 113	\$ 133	\$ (11)	\$ 354	\$ 169

Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization⁽¹⁾

in millions	Q1.2021	Q2.2021	Q3.2021	Q3.2020	YTD.2021	YTD.2020
Operating income (loss)	\$ 108	\$ 113	\$ 133	\$ (11)	\$ 354	\$ 169
Depreciation, depletion and amortization	64	67	64	61	195	194
Special items	—	—	(32)	80	(32)	80
Adjusted EBITDA⁽¹⁾	\$ 172	\$ 180	\$ 165	\$ 130	\$ 517	\$ 443

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

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

in millions	Q1.2021	Q2.2021	Q3.2021	Q3.2020	YTD.2021	YTD.2020
Gain on sale of timberlands	\$ —	\$ —	\$ 32	\$ —	\$ 32	\$ —
Timber casualty loss	\$ —	\$ —	\$ —	\$ (80)	\$ —	\$ (80)

Selected Segment Items

in millions	Q1.2021	Q2.2021	Q3.2021	Q3.2020	YTD.2021	YTD.2020
Total decrease (increase) in working capital ⁽²⁾	\$ (13)	\$ 2	\$ 1	\$ 43	\$ (10)	\$ 38
Cash spent for capital expenditures ⁽³⁾	\$ (28)	\$ (21)	\$ (27)	\$ (24)	\$ (76)	\$ (75)

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

		Q1.2021	Q2.2021	Q3.2021	Q3.2020	YTD.2021	YTD.2020
Third Party Net Sales (millions)	Delivered logs:						
	West	\$ 201	\$ 222	\$ 226	\$ 163	\$ 649	\$ 519
	South	131	145	153	141	429	436
	North	16	9	13	13	38	37
	Total delivered logs	348	376	392	317	1,116	992
	Stumpage and pay-as-cut timber	6	7	9	5	22	15
	Recreational and other lease revenue	16	16	16	16	48	47
	Other revenue	9	6	6	7	21	31
	Total	\$ 379	\$ 405	\$ 423	\$ 345	\$ 1,207	\$ 1,085
Delivered Logs	West	\$ 130.69	\$ 137.80	\$ 145.64	\$ 109.01	\$ 138.06	\$ 106.16
Third Party Sales	South	\$ 34.50	\$ 35.11	\$ 35.56	\$ 33.68	\$ 35.08	\$ 33.88
Realizations (per ton)	North	\$ 62.83	\$ 74.88	\$ 64.93	\$ 57.19	\$ 65.97	\$ 59.15
Delivered Logs	West	1,539	1,608	1,555	1,489	4,702	4,887
Third Party Sales	South	3,782	4,150	4,304	4,185	12,236	12,857
Volumes (tons, thousands)	North	261	115	195	234	571	631
Fee Harvest Volumes (tons, thousands)	West	2,101	2,099	1,930	1,911	6,130	6,457
	South	5,376	5,856	5,912	5,596	17,144	17,640
	North	337	199	264	321	800	901

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

Q3.2021 Analyst Package

Preliminary results (unaudited)

Segment Statement of Operations

in millions	Q1.2021	Q2.2021	Q3.2021	Q3.2020	YTD.2021	YTD.2020
Net sales	\$ 106	\$ 110	\$ 69	\$ 69	\$ 285	\$ 246
Costs of sales	34	41	18	46	93	156
Gross margin	72	69	51	23	192	90
General and administrative expenses	6	6	6	6	18	18
Operating income and Net contribution to earnings	\$ 66	\$ 63	\$ 45	\$ 17	\$ 174	\$ 72

Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization⁽¹⁾

in millions	Q1.2021	Q2.2021	Q3.2021	Q3.2020	YTD.2021	YTD.2020
Operating income	\$ 66	\$ 63	\$ 45	\$ 17	\$ 174	\$ 72
Depreciation, depletion and amortization	3	4	4	3	11	10
Basis of real estate sold	27	24	11	40	62	136
Adjusted EBITDA⁽¹⁾	\$ 96	\$ 91	\$ 60	\$ 60	\$ 247	\$ 218

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

Selected Segment Items

in millions	Q1.2021	Q2.2021	Q3.2021	Q3.2020	YTD.2021	YTD.2020
Cash spent for capital expenditures	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

Segment Statistics

		Q1.2021	Q2.2021	Q3.2021	Q3.2020	YTD.2021	YTD.2020
Net Sales (millions)	Real Estate	\$ 84	\$ 83	\$ 45	\$ 49	\$ 212	\$ 192
	Energy and Natural Resources	22	27	24	20	73	54
	Total	\$ 106	\$ 110	\$ 69	\$ 69	\$ 285	\$ 246
Acres Sold	Real Estate	19,455	18,415	11,037	34,917	48,907	111,228
Price per Acre	Real Estate	\$ 3,803	\$ 3,227	\$ 4,005	\$ 1,381	\$ 3,632	\$ 1,662
Basis as a Percent of Real Estate Net Sales	Real Estate	32%	29%	24%	82%	29%	71%

Q3.2021 Analyst Package

Preliminary results (unaudited)

Segment Statement of Operations

in millions	Q1.2021	Q2.2021	Q3.2021	Q3.2020	YTD.2021	YTD.2020
Net sales	\$ 2,021	\$ 2,629	\$ 1,853	\$ 1,696	\$ 6,503	\$ 4,138
Costs of sales	1,124	1,229	1,270	1,075	3,623	3,112
Gross margin	897	1,400	583	621	2,880	1,026
Selling expenses	19	21	21	18	61	57
General and administrative expenses	35	35	34	33	104	102
Other operating costs, net	3	6	11	4	20	8
Operating income and Net contribution to earnings	\$ 840	\$ 1,338	\$ 517	\$ 566	\$ 2,695	\$ 859

Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization⁽¹⁾

in millions	Q1.2021	Q2.2021	Q3.2021	Q3.2020	YTD.2021	YTD.2020
Operating income	\$ 840	\$ 1,338	\$ 517	\$ 566	\$ 2,695	\$ 859
Depreciation, depletion and amortization	49	48	48	49	145	146
Special items	—	—	—	—	—	(8)
Adjusted EBITDA⁽¹⁾	\$ 889	\$ 1,386	\$ 565	\$ 615	\$ 2,840	\$ 997

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

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

in millions	Q1.2021	Q2.2021	Q3.2021	Q3.2020	YTD.2021	YTD.2020
Product remediation recovery	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 8

Selected Segment Items

in millions	Q1.2021	Q2.2021	Q3.2021	Q3.2020	YTD.2021	YTD.2020
Total decrease (increase) in working capital ⁽²⁾	\$ (212)	\$ (49)	\$ 249	\$ (68)	\$ (12)	\$ (198)
Cash spent for capital expenditures	\$ (25)	\$ (51)	\$ (70)	\$ (41)	\$ (146)	\$ (124)

⁽²⁾ 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		Q1.2021	Q2.2021	Q3.2021	Q3.2020	YTD.2021	YTD.2020
Structural Lumber (volumes presented in board feet)	Third party net sales	\$ 990	\$ 1,349	\$ 681	\$ 819	\$ 3,020	\$ 1,865
	Third party sales realizations	\$ 864	\$ 1,077	\$ 516	\$ 674	\$ 812	\$ 509
	Third party sales volumes ⁽³⁾	1,145	1,252	1,320	1,216	3,717	3,663
	Production volumes	1,211	1,234	1,222	1,170	3,667	3,487
Oriented Strand Board (volumes presented in square feet 3/8")	Third party net sales	\$ 438	\$ 605	\$ 470	\$ 290	\$ 1,513	\$ 659
	Third party sales realizations	\$ 614	\$ 911	\$ 691	\$ 395	\$ 735	\$ 293
	Third party sales volumes ⁽³⁾	714	663	681	736	2,058	2,253
	Production volumes	742	683	715	759	2,140	2,278
Engineered Solid Section (volumes presented in cubic feet)	Third party net sales	\$ 142	\$ 166	\$ 183	\$ 135	\$ 491	\$ 373
	Third party sales realizations	\$ 2,285	\$ 2,533	\$ 3,092	\$ 2,128	\$ 2,628	\$ 2,142
	Third party sales volumes ⁽³⁾	6.2	6.6	5.9	6.3	18.7	17.4
	Production volumes	6.0	6.2	5.8	5.4	18.0	16.8
Engineered I-joists (volumes presented in lineal feet)	Third party net sales	\$ 83	\$ 104	\$ 128	\$ 83	\$ 315	\$ 231
	Third party sales realizations	\$ 1,773	\$ 1,980	\$ 2,600	\$ 1,638	\$ 2,119	\$ 1,650
	Third party sales volumes ⁽³⁾	47	53	49	51	149	140
	Production volumes	44	51	49	43	144	128
Softwood Plywood (volumes presented in square feet 3/8")	Third party net sales	\$ 56	\$ 69	\$ 45	\$ 55	\$ 170	\$ 128
	Third party sales realizations	\$ 594	\$ 902	\$ 653	\$ 507	\$ 710	\$ 405
	Third party sales volumes ⁽³⁾	94	77	69	107	240	315
	Production volumes	80	62	61	94	203	267
Medium Density Fiberboard (volumes presented in square feet 3/4")	Third party net sales	\$ 48	\$ 43	\$ 52	\$ 47	\$ 143	\$ 124
	Third party sales realizations	\$ 842	\$ 869	\$ 943	\$ 864	\$ 885	\$ 845
	Third party sales volumes ⁽³⁾	57	50	55	55	162	147
	Production volumes	56	52	55	57	163	148

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

Q3.2021 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	Q1.2021	Q2.2021	Q3.2021	Q3.2020	YTD.2021	YTD.2020
Unallocated corporate function and variable compensation expense	\$ (25)	\$ (36)	\$ (33)	\$ (36)	\$ (94)	\$ (78)
Liability classified share-based compensation	(1)	—	(1)	(5)	(2)	1
Foreign exchange gain (loss)	(2)	(1)	5	2	2	(3)
Elimination of intersegment profit in inventory and LIFO	(17)	(28)	12	(9)	(33)	(4)
Other, net	(13)	(20)	(29)	(14)	(62)	(23)
Operating loss	(58)	(85)	(46)	(62)	(189)	(107)
Non-operating pension and other post-employment benefit costs	(8)	(1)	(5)	(9)	(14)	(28)
Interest income and other	1	2	1	2	4	5
Net charge to earnings	\$ (65)	\$ (84)	\$ (50)	\$ (69)	\$ (199)	\$ (130)

Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization⁽¹⁾

in millions	Q1.2021	Q2.2021	Q3.2021	Q3.2020	YTD.2021	YTD.2020
Operating loss	\$ (58)	\$ (85)	\$ (46)	\$ (62)	\$ (189)	\$ (107)
Depreciation, depletion and amortization	2	1	2	2	5	5
Special items	—	—	—	—	—	(12)
Adjusted EBITDA⁽¹⁾	\$ (56)	\$ (84)	\$ (44)	\$ (60)	\$ (184)	\$ (114)

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

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

in millions	Q1.2021	Q2.2021	Q3.2021	Q3.2020	YTD.2021	YTD.2020
Legal benefit	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 12
Special items included in operating loss and net charge to earnings	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 12

Unallocated Selected Items

in millions	Q1.2021	Q2.2021	Q3.2021	Q3.2020	YTD.2021	YTD.2020
Cash spent for capital expenditures	\$ —	\$ —	\$ (1)	\$ —	\$ (1)	\$ —