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Weyerhaeuser reports first quarter results

- Achieved net earnings of \$771 million, or \$1.03 per diluted share, and net earnings before special items of \$978 million, or \$1.31 per diluted share
- Generated record first quarter Adjusted EBITDA of \$1.5 billion
- Returned over \$1.3 billion of cash to shareholders
- Signed first carbon capture and storage agreement for project in Louisiana

SEATTLE, April 29, 2022 – [Weyerhaeuser Company](#) (NYSE: WY) today reported first quarter net earnings of \$771 million, or \$1.03 per diluted share, on net sales of \$3.1 billion. This compares with net earnings of \$681 million, or 91 cents per diluted share, on net sales of \$2.5 billion for the same period last year and net earnings of \$416 million for the fourth quarter of 2021. Excluding an after-tax charge of \$207 million for special items, the company reported first quarter net earnings of \$978 million, or \$1.31 per diluted share. This compares with net earnings before special items of \$367 million for the fourth quarter of 2021. There were no special items in first quarter 2021.

Adjusted EBITDA for the first quarter of 2022 was \$1.5 billion compared with \$1.1 billion for the same period last year and \$674 million for the fourth quarter of 2021.

“I am extremely proud of our first quarter results,” said Devin W. Stockfish, president and chief executive officer. “Our teams delivered the company’s strongest first quarter Adjusted EBITDA on record notwithstanding ongoing operational and supply chain challenges. In addition, we increased our base dividend by 5.9 percent and refinanced \$900 million of debt in the quarter. We’ve also made meaningful progress towards our multi-year growth targets with the signing of our first carbon capture and storage agreement. Looking forward, we remain constructive on the demand fundamentals that will drive growth for our businesses and are well positioned to deliver superior long-term value and returns for our shareholders.”

WEYERHAEUSER FINANCIAL HIGHLIGHTS (millions, except per share data)

	2021 Q4	2022 Q1	2021 Q1
Net sales	\$2,206	\$3,112	\$2,506
Net earnings	\$416	\$771	\$681
Net earnings per diluted share	\$0.55	\$1.03	\$0.91
Weighted average shares outstanding, diluted	751	749	750
Net earnings before special items ⁽¹⁾⁽²⁾	\$367	\$978	\$681
Net earnings per diluted share before special items ⁽¹⁾	\$0.49	\$1.31	\$0.91
Adjusted EBITDA ⁽¹⁾	\$674	\$1,497	\$1,101
Net cash from operations	\$494	\$957	\$698
Adjusted FAD ⁽³⁾	\$181	\$850	\$645

(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) First quarter 2022 after-tax special items include a loss on debt extinguishment of \$207 million. 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	2021	2022	
(millions)	Q4	Q1	Change
Net sales	\$565	\$626	\$61
Net contribution to pretax earnings	\$110	\$182	\$72
Adjusted EBITDA	\$176	\$247	\$71

Q1 2022 Performance – In the West, fee harvest volumes were significantly higher than the fourth quarter and per unit log and haul costs were lower due to the seasonal transition to lower elevation harvest activity. Domestic sales realizations and sales volumes were significantly higher. Export sales realizations were significantly higher, driven by strong demand in Japan, while export sales volumes were significantly lower as the company shifted volume from China to the domestic market to capitalize on strong pricing. In the South, sales realizations for sawlogs and fiber logs were slightly higher, while fee harvest volumes were seasonally lower. Per unit log and haul costs were moderately higher, primarily due to fuel-related transportation costs. Forestry and road costs decreased seasonally.

Q2 2022 Outlook – Weyerhaeuser anticipates second quarter earnings before special items and Adjusted EBITDA will be significantly lower than the first quarter, but higher than any other quarter since fourth quarter 2018. In the West, the company expects comparable fee harvest volumes, slightly lower sales realizations, and significantly higher per unit log and haul costs. In the South, the company expects comparable sales realizations and moderately higher fee harvest volumes and per unit log and haul costs. Forestry and road costs will be seasonally higher.

REAL ESTATE, ENERGY & NATURAL RESOURCES

FINANCIAL HIGHLIGHTS	2021	2022	
(millions)	Q4	Q1	Change
Net sales	\$59	\$128	\$69
Net contribution to pretax earnings	\$36	\$81	\$45
Adjusted EBITDA	\$49	\$116	\$67

Q1 2022 Performance – Earnings and Adjusted EBITDA increased from the fourth quarter due to higher real estate sales. The number of acres sold increased significantly due to the timing of transactions, and the average price per acre decreased due to the mix of properties sold.

Q2 2022 Outlook – Weyerhaeuser anticipates second quarter earnings will be comparable to second quarter 2021 and Adjusted EBITDA will be slightly higher than second quarter 2021. The company expects the average basis as a percentage of sales and acres sold to be higher year over year.

WOOD PRODUCTS

FINANCIAL HIGHLIGHTS	2021	2022	
(millions)	Q4	Q1	Change
Net sales	\$1,718	\$2,519	\$801
Net contribution to pretax earnings	\$516	\$1,182	\$666
Pretax benefit for special items	\$(50)	\$—	\$50
Net contribution to pretax earnings before special items	\$466	\$1,182	\$716
Adjusted EBITDA	\$517	\$1,233	\$716

Q1 2022 Performance – Sales realizations for lumber and oriented strand board increased 76 percent and 61 percent, respectively, compared with fourth quarter averages. Production volumes for lumber were moderately higher due to less weather-related downtime and planned maintenance, while sales volumes were slightly lower as a result of ongoing transportation disruptions. Log costs were significantly higher, primarily for western logs. Production volumes for oriented strand board were slightly higher due to less planned maintenance, sales volumes were moderately higher, and fiber costs were significantly higher. Sales realizations for engineered wood products improved from the fourth quarter, which was partially offset by moderately higher raw material costs, primarily for oriented strand board webstock and resin. Distribution margins improved across all products.

Q2 2022 Outlook – Weyerhaeuser anticipates second quarter earnings and Adjusted EBITDA will be higher than the first quarter, excluding the effect of changes in average sales realizations for lumber and oriented strand board. The company expects significantly higher sales volumes for lumber, as well as moderately lower log costs and unit manufacturing costs. For oriented strand board, the company expects moderately higher sales volumes, comparable fiber costs, and slightly lower unit manufacturing costs. Engineered wood products production and sales volumes are expected to be significantly higher with comparable sales realizations, partially offset by significantly higher raw material costs, primarily for oriented strand board webstock. Distribution commodity product margins are expected to be significantly lower.

UNALLOCATED

FINANCIAL HIGHLIGHTS

(millions)	2021 Q4	2022 Q1	Change
Net charge to pretax earnings	\$(57)	\$(117)	\$(60)
Pretax benefit for special items	\$(15)	\$—	\$15
Net charge to pretax earnings before special items	\$(72)	\$(117)	\$(45)
Adjusted EBITDA	\$(68)	\$(99)	\$(31)

Q1 2022 Performance – First quarter results include a \$59 million noncash charge for the elimination of intersegment profit in inventory and LIFO due to elevated levels of high-value inventory.

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 2021, we generated \$10.2 billion in net sales and employed approximately 9,200 people who serve customers worldwide. 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 April 29, 2022 to discuss first quarter results.

To access the live webcast and presentation online, go to the [Investor Relations](#) section on www.weyerhaeuser.com on April 29, 2022.

To join the conference call from within North America, dial 877-407-0792 (access code: 13724914) at least 15 minutes prior to the call. Those calling from outside North America should dial 201-689-8263 (access code: 13724914). Replays will be available for two weeks at 844-512-2921 (access code: 13724914) from within North America, and at 412-317-6671 (access code: 13724914) 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 the company and for each of our businesses; log sales realizations; log and haul, forestry and road costs and expenses; fee harvest volumes; basis as a percentage of sales and acres to be sold; sales volumes, realizations, manufacturing and materials costs for our Wood Products lines; distribution commodity product margins and demand fundamentals affecting our business; and long-term shareholder value and returns. 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 and expressions such as “anticipate,” “expect,” “looking forward,” “planned,” “will,” and similar words and expressions. They may use the positive, negative or another variation of those and similar words and expressions. 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 and their potential effects on our business, results of operations, cash flows, financial condition and future prospects;
- market demand for the company's products, including market demand for our timberland properties with higher and better uses, which is related to, among other factors, the strength of the various U.S. business segments and U.S. and international economic conditions;
- changes in currency exchange rates, particularly the relative value of the U.S. dollar to the Japanese yen, the Chinese yuan, and the Canadian dollar, and the relative value of the euro to the yen;
- restrictions on international trade and tariffs imposed on imports or exports;
- the availability and cost of shipping and transportation;
- economic activity in Asia, especially Japan and China;
- performance of our manufacturing operations, including maintenance and capital requirements;
- potential disruptions in our manufacturing operations;
- the level of competition from domestic and foreign producers;
- the successful execution of our internal plans and strategic initiatives, including restructuring and cost reduction initiatives;
- our ability to hire and retain capable employees;
- the successful and timely execution and integration of our strategic acquisitions, including our ability to realize expected benefits and synergies, and the successful and timely execution of our strategic divestitures, each of which is subject to a number of risks and conditions beyond our control including, but not limited to, timing and required regulatory approvals or the occurrence of any event, change or other circumstances that could give rise to a termination of any acquisition or divestiture transaction under the terms of the governing transaction agreements;
- raw material availability and prices;
- the effect of weather;
- changes in global or regional climate conditions and governmental response to such changes;
- the risk of loss from fires, floods, windstorms, hurricanes, pest infestation and other natural disasters;
- energy prices;
- transportation and labor availability and costs;

- federal tax policies;
- the effect of forestry, land use, environmental and other governmental regulations;
- legal proceedings;
- performance of pension fund investments and related derivatives;
- the effect of timing of employee retirements as it relates to the cost of pension benefits and changes in the market price of our common stock on charges for share-based compensation;
- the accuracy of our estimates of costs and expenses related to contingent liabilities and the accuracy of our estimates of charges related to casualty losses;
- changes in accounting principles; and
- other risks and uncertainties identified in our 2021 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, 2021:

(millions)	Timberlands	Real Estate & ENR	Wood Products	Unallocated Items	Total
Adjusted EBITDA by Segment:					
Net earnings					\$416
Interest expense, net of capitalized interest					77
Income taxes					112
Net contribution (charge) to earnings	\$110	\$36	\$516	\$(57)	\$605
Non-operating pension and other post-employment benefit costs	—	—	—	5	5
Interest income and other	—	—	—	(1)	(1)
Operating income (loss)	110	36	516	(53)	609
Depreciation, depletion and amortization	66	4	51	—	121
Basis of real estate sold	—	9	—	—	9
Special items included in operating income (loss) ⁽¹⁾⁽²⁾	—	—	(50)	(15)	(65)
Adjusted EBITDA	\$176	\$49	\$517	\$(68)	\$674

(1) Operating income (loss) for Wood Products includes pretax special items consisting of a \$37 million product remediation recovery and a \$13 million insurance recovery.

(2) Operating income (loss) for Unallocated Items includes a pretax special item consisting of a \$15 million noncash legal benefit.

The table below reconciles Adjusted EBITDA for the quarter ended March 31, 2022:

(millions)	Timberlands	Real Estate & ENR	Wood Products	Unallocated Items	Total
Adjusted EBITDA by Segment:					
Net earnings					\$771
Interest expense, net of capitalized interest					72
Loss on debt extinguishment ⁽¹⁾					276
Income taxes					209
Net contribution (charge) to earnings	\$182	\$81	\$1,182	\$(117)	\$1,328
Non-operating pension and other post-employment benefit costs	—	—	—	15	15
Interest income and other	—	—	—	1	1
Operating income (loss)	182	81	1,182	(101)	1,344
Depreciation, depletion and amortization	65	4	51	2	122
Basis of real estate sold	—	31	—	—	31
Adjusted EBITDA	\$247	\$116	\$1,233	\$(99)	\$1,497

(1) Loss on debt extinguishment is a pretax special item related to the early extinguishment of \$931 million of debt.

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
Net contribution (charge) to earnings	\$108	\$66	\$840	\$(65)	\$949
Non-operating pension and other post-employment benefit costs	—	—	—	8	8
Interest income and other	—	—	—	(1)	(1)
Operating income (loss)	108	66	840	(58)	956
Depreciation, depletion and amortization	64	3	49	2	118
Basis of real estate sold	—	27	—	—	27
Adjusted EBITDA	\$172	\$96	\$889	\$(56)	\$1,101

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 Q4	2022 Q1	2021 Q1
Net earnings	\$416	\$771	\$681
Loss on debt extinguishment	—	207	—
Insurance recovery	(9)	—	—
Legal benefit	(12)	—	—
Product remediation recovery	(28)	—	—
Net earnings before special items	\$367	\$978	\$681

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

(millions)	2021 Q4	2022 Q1	2021 Q1
Net earnings per diluted share	\$0.55	\$1.03	\$0.91
Loss on debt extinguishment	—	0.28	—
Insurance recovery	(0.01)	—	—
Legal benefit	(0.01)	—	—
Product remediation recovery	(0.04)	—	—
Net earnings per diluted share before special items	\$0.49	\$1.31	\$0.91

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 Q4	2022 Q1	2021 Q1
Net cash from operations	\$494	\$957	\$698
Capital expenditures	(218)	(70)	(53)
Adjustments to FAD ⁽¹⁾	(95)	(37)	—
Adjusted FAD	\$181	\$850	\$645

(1) Adjustments to FAD include a \$37 million product remediation insurance recovery received in first quarter 2022 and a \$95 million tax refund received in fourth quarter 2021 associated with our \$300 million voluntary contribution to our U.S. qualified pension plan in 2018.

Q1.2022 Analyst Package

Preliminary results (unaudited)

Consolidated Statement of Operations

in millions	Q4	Q1	
	December 31, 2021	March 31, 2022	March 31, 2021
Net sales	\$ 2,206	\$ 3,112	\$ 2,506
Costs of sales	1,501	1,647	1,430
Gross margin	705	1,465	1,076
Selling expenses	27	23	20
General and administrative expenses	113	92	90
Other operating costs (income), net	(44)	6	10
Operating income	609	1,344	956
Non-operating pension and other post-employment benefit costs	(5)	(15)	(8)
Interest income and other	1	(1)	1
Interest expense, net of capitalized interest	(77)	(72)	(79)
Loss on debt extinguishment	—	(276)	—
Earnings before income taxes	528	980	870
Income taxes	(112)	(209)	(189)
Net earnings	\$ 416	\$ 771	\$ 681

Per Share Information

	Q4	Q1	
	December 31, 2021	March 31, 2022	March 31, 2021
Earnings per share			
Basic	\$ 0.56	\$ 1.03	\$ 0.91
Diluted	\$ 0.55	\$ 1.03	\$ 0.91
Dividends paid per common share	\$ 0.67	\$ 1.63	\$ 0.17
Weighted average shares outstanding (in thousands):			
Basic	749,020	747,507	748,718
Diluted	750,942	748,823	750,024
Common shares outstanding at end of period (in thousands)	747,301	745,442	748,751

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

in millions	Q4	Q1	
	December 31, 2021	March 31, 2022	March 31, 2021
Net earnings	\$ 416	\$ 771	\$ 681
Non-operating pension and other post-employment benefit costs	5	15	8
Interest income and other	(1)	1	(1)
Interest expense, net of capitalized interest	77	72	79
Loss on debt extinguishment	—	276	—
Income taxes	112	209	189
Operating income	609	1,344	956
Depreciation, depletion and amortization	121	122	118
Basis of real estate sold	9	31	27
Special items included in operating income	(65)	—	—
Adjusted EBITDA⁽¹⁾	\$ 674	\$ 1,497	\$ 1,101

⁽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.

Q1.2022 Analyst Package

Preliminary results (unaudited)

Special Items Included in Net Earnings (Income Tax Affected)

in millions	Q4	Q1	
	December 31, 2021	March 31, 2022	March 31, 2021
Net earnings	\$ 416	\$ 771	\$ 681
Loss on debt extinguishment ⁽¹⁾	—	207	—
Insurance recovery	(9)	—	—
Legal benefit	(12)	—	—
Product remediation recovery	(28)	—	—
Net earnings before special items⁽²⁾	\$ 367	\$ 978	\$ 681

in millions	Q4	Q1	
	December 31, 2021	March 31, 2022	March 31, 2021
Net earnings per diluted share	\$ 0.55	\$ 1.03	\$ 0.91
Loss on debt extinguishment ⁽¹⁾	—	0.28	—
Insurance recovery	(0.01)	—	—
Legal benefit	(0.01)	—	—
Product remediation recovery	(0.04)	—	—
Net earnings per diluted share before special items⁽²⁾	\$ 0.49	\$ 1.31	\$ 0.91

⁽¹⁾ We recorded a total pretax loss on debt extinguishment of \$276 million (\$207 million after-tax) in first quarter 2022.

⁽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	Q4	Q1	
	December 31, 2021	March 31, 2022	March 31, 2021
Pension and post-employment costs:			
Pension and post-employment service costs	\$ 10	\$ 10	\$ 11
Non-operating pension and other post-employment benefit costs	5	15	8
Total company pension and post-employment costs	\$ 15	\$ 25	\$ 19

Weyerhaeuser Company

Q1.2022 Analyst Package

Preliminary results (unaudited)

Consolidated Balance Sheet

in millions	December 31, 2021	March 31, 2022	March 31, 2021
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,879	\$ 1,205	\$ 1,016
Receivables, net	507	745	589
Receivables for taxes	24	8	7
Inventories	520	611	505
Prepaid expenses and other current assets	205	206	141
Total current assets	3,135	2,775	2,258
Property and equipment, net	2,057	2,026	1,971
Construction in progress	175	203	91
Timber and timberlands at cost, less depletion	11,510	11,469	11,776
Minerals and mineral rights, less depletion	255	252	265
Deferred tax assets	17	15	106
Other assets	503	376	407
Total assets	\$ 17,652	\$ 17,116	\$ 16,874
LIABILITIES AND EQUITY			
Current liabilities:			
Current maturities of long-term debt	\$ —	\$ —	\$ 150
Accounts payable	281	310	236
Accrued liabilities	673	674	549
Total current liabilities	954	984	935
Long-term debt, net	5,099	5,053	5,325
Deferred tax liabilities	46	66	26
Deferred pension and other post-employment benefits	440	432	893
Other liabilities	346	344	367
Total liabilities	6,885	6,879	7,546
Total equity	10,767	10,237	9,328
Total liabilities and equity	\$ 17,652	\$ 17,116	\$ 16,874

Weyerhaeuser Company

Q1.2022 Analyst Package

Preliminary results (unaudited)

Consolidated Statement of Cash Flows

in millions	Q4	Q1	
	December 31, 2021	March 31, 2022	March 31, 2021
Cash flows from operations:			
Net earnings	\$ 416	\$ 771	\$ 681
Noncash charges (credits) to earnings:			
Depreciation, depletion and amortization	121	122	118
Basis of real estate sold	9	31	27
Deferred income taxes, net	(2)	14	8
Pension and other post-employment benefits	15	25	19
Share-based compensation expense	7	8	7
Loss on debt extinguishment	—	276	—
Change in:			
Receivables, net	(10)	(238)	(139)
Receivables and payables for taxes	6	110	120
Inventories	(22)	(87)	(60)
Prepaid expenses and other current assets	(4)	(1)	(2)
Accounts payable and accrued liabilities	(3)	(62)	(60)
Pension and post-employment benefit contributions and payments	(3)	(4)	(8)
Other	(36)	(8)	(13)
Net cash from operations	\$ 494	\$ 957	\$ 698
Cash flows from investing activities:			
Capital expenditures for property and equipment	\$ (202)	\$ (50)	\$ (31)
Capital expenditures for timberlands reforestation	(16)	(20)	(22)
Acquisition of timberlands	—	(18)	—
Other	1	1	—
Net cash from investing activities	\$ (217)	\$ (87)	\$ (53)
Cash flows from financing activities:			
Cash dividends on common shares	\$ (502)	\$ (1,218)	\$ (127)
Net proceeds from issuance of long-term debt	—	881	—
Payments on long-term debt	(150)	(1,203)	—
Proceeds from exercise of stock options	5	12	17
Repurchases of common shares	(74)	(118)	—
Other	(3)	(18)	(14)
Net cash from financing activities	\$ (724)	\$ (1,664)	\$ (124)
Net change in cash, cash equivalents and restricted cash	\$ (447)	\$ (794)	\$ 521
Cash, cash equivalents and restricted cash at beginning of period	2,446	1,999	495
Cash, cash equivalents and restricted cash at end of period	\$ 1,999	\$ 1,205	\$ 1,016
Cash paid during the period for:			
Interest, net of amounts capitalized	\$ 78	\$ 78	\$ 75
Income taxes, net of refunds	\$ 115	\$ 85	\$ 66

Q1.2022 Analyst Package

Preliminary results (unaudited)

Segment Statement of Operations

in millions	Q4.2021	Q1.2022	Q1.2021
Sales to unaffiliated customers	\$ 429	\$ 465	\$ 379
Intersegment sales	136	161	134
Total net sales	565	626	513
Costs of sales	432	423	383
Gross margin	133	203	130
Selling expenses	1	—	—
General and administrative expenses	23	24	23
Other operating income, net	(1)	(3)	(1)
Operating income and Net contribution to earnings	\$ 110	\$ 182	\$ 108

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

in millions	Q4.2021	Q1.2022	Q1.2021
Operating income	\$ 110	\$ 182	\$ 108
Depreciation, depletion and amortization	66	65	64
Adjusted EBITDA⁽¹⁾	\$ 176	\$ 247	\$ 172

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

Selected Segment Items

in millions	Q4.2021	Q1.2022	Q1.2021
Total decrease (increase) in working capital ⁽²⁾	\$ (21)	\$ (34)	\$ (13)
Cash spent for capital expenditures ⁽³⁾	\$ (38)	\$ (30)	\$ (28)

⁽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⁾

		Q4.2021	Q1.2022	Q1.2021
Third Party Net Sales (millions)	Delivered logs:			
	West	\$ 220	\$ 259	\$ 201
	South	160	154	131
	North	14	15	16
	Total delivered logs	394	428	348
	Stumpage and pay-as-cut timber	9	9	6
	Recreational and other lease revenue	17	17	16
	Other revenue	9	11	9
	Total	\$ 429	\$ 465	\$ 379
	Delivered Logs	West	\$ 146.39	\$ 161.29
Third Party Sales	South	\$ 36.55	\$ 37.15	\$ 34.50
Realizations (per ton)	North	\$ 66.74	\$ 72.79	\$ 62.83
Delivered Logs	West	1,501	1,604	1,539
Third Party Sales	South	4,358	4,135	3,782
Volumes (tons, thousands)	North	217	210	261
Fee Harvest Volumes	West	1,954	2,240	2,101
(tons, thousands)	South	6,160	5,842	5,376
	North	285	278	337

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

Q1.2022 Analyst Package

Preliminary results (unaudited)

Segment Statement of Operations

in millions	Q4.2021	Q1.2022	Q1.2021
Net sales	\$ 59	\$ 128	\$ 106
Costs of sales	16	41	34
Gross margin	43	87	72
General and administrative expenses	7	6	6
Operating income and Net contribution to earnings	\$ 36	\$ 81	\$ 66

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

in millions	Q4.2021	Q1.2022	Q1.2021
Operating income	\$ 36	\$ 81	\$ 66
Depreciation, depletion and amortization	4	4	3
Basis of real estate sold	9	31	27
Adjusted EBITDA⁽¹⁾	\$ 49	\$ 116	\$ 96

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

Selected Segment Items

in millions	Q4.2021	Q1.2022	Q1.2021
Cash spent for capital expenditures	\$ —	\$ —	\$ —

Segment Statistics

		Q4.2021	Q1.2022	Q1.2021
Net Sales (millions)	Real Estate	\$ 34	\$ 97	\$ 84
	Energy and Natural Resources	25	31	22
	Total	\$ 59	\$ 128	\$ 106
Acres Sold	Real Estate	6,920	24,126	19,455
Price per Acre	Real Estate	\$ 4,385	\$ 3,785	\$ 3,803
Basis as a Percent of Real Estate Net Sales	Real Estate	26%	32%	32%

Q1.2022 Analyst Package

Preliminary results (unaudited)

Segment Statement of Operations

in millions	Q4.2021	Q1.2022	Q1.2021
Net sales	\$ 1,718	\$ 2,519	\$ 2,021
Costs of sales	1,185	1,276	1,124
Gross margin	533	1,243	897
Selling expenses	23	21	19
General and administrative expenses	34	35	35
Other operating costs (income), net	(40)	5	3
Operating income and Net contribution to earnings	\$ 516	\$ 1,182	\$ 840

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

in millions	Q4.2021	Q1.2022	Q1.2021
Operating income	\$ 516	\$ 1,182	\$ 840
Depreciation, depletion and amortization	51	51	49
Special items	(50)	—	—
Adjusted EBITDA⁽¹⁾	\$ 517	\$ 1,233	\$ 889

⁽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	Q4.2021	Q1.2022	Q1.2021
Insurance recovery	\$ 13	\$ —	\$ —
Product remediation recovery	\$ 37	\$ —	\$ —

Selected Segment Items

in millions	Q4.2021	Q1.2022	Q1.2021
Total decrease (increase) in working capital ⁽²⁾	\$ (11)	\$ (371)	\$ (212)
Cash spent for capital expenditures	\$ (174)	\$ (39)	\$ (25)

⁽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		Q4.2021	Q1.2022	Q1.2021
Structural Lumber (volumes presented in board feet)	Third party net sales	\$ 701	\$ 1,206	\$ 990
	Third party sales realizations	\$ 592	\$ 1,041	\$ 864
	Third party sales volumes ⁽³⁾	1,185	1,157	1,145
	Production volumes	1,148	1,203	1,211
Oriented Strand Board (volumes presented in square feet 3/8")	Third party net sales	\$ 327	\$ 564	\$ 438
	Third party sales realizations	\$ 490	\$ 787	\$ 614
	Third party sales volumes ⁽³⁾	668	717	714
	Production volumes	725	739	742
Engineered Solid Section (volumes presented in cubic feet)	Third party net sales	\$ 188	\$ 196	\$ 142
	Third party sales realizations	\$ 3,319	\$ 3,433	\$ 2,285
	Third party sales volumes ⁽³⁾	5.7	5.7	6.2
	Production volumes	6.0	5.7	6.0
Engineered I-joists (volumes presented in lineal feet)	Third party net sales	\$ 132	\$ 137	\$ 83
	Third party sales realizations	\$ 2,888	\$ 2,969	\$ 1,773
	Third party sales volumes ⁽³⁾	45	46	47
	Production volumes	46	44	44
Softwood Plywood (volumes presented in square feet 3/8")	Third party net sales	\$ 40	\$ 58	\$ 56
	Third party sales realizations	\$ 581	\$ 783	\$ 594
	Third party sales volumes ⁽³⁾	68	75	94
	Production volumes	60	66	80
Medium Density Fiberboard (volumes presented in square feet 3/4")	Third party net sales	\$ 43	\$ 48	\$ 48
	Third party sales realizations	\$ 995	\$ 1,082	\$ 842
	Third party sales volumes ⁽³⁾	43	44	57
	Production volumes	43	44	56

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

Q1.2022 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	Q4.2021	Q1.2022	Q1.2021
Unallocated corporate function and variable compensation expense	\$ (35)	\$ (31)	\$ (25)
Liability classified share-based compensation	(4)	1	(1)
Foreign exchange gain (loss)	3	—	(2)
Elimination of intersegment profit in inventory and LIFO	10	(59)	(17)
Other, net	(27)	(12)	(13)
Operating loss	(53)	(101)	(58)
Non-operating pension and other post-employment benefit costs	(5)	(15)	(8)
Interest income and other	1	(1)	1
Net charge to earnings	\$ (57)	\$ (117)	\$ (65)

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

in millions	Q4.2021	Q1.2022	Q1.2021
Operating loss	\$ (53)	\$ (101)	\$ (58)
Depreciation, depletion and amortization	—	2	2
Special items	(15)	—	—
Adjusted EBITDA⁽¹⁾	\$ (68)	\$ (99)	\$ (56)

⁽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	Q4.2021	Q1.2022	Q1.2021
Legal benefit	\$ 15	\$ —	\$ —
Special items included in operating loss and net charge to earnings	\$ 15	\$ —	\$ —

Unallocated Selected Items

in millions	Q4.2021	Q1.2022	Q1.2021
Cash spent for capital expenditures	\$ (6)	\$ (1)	\$ —