



2022 EARNINGS RESULTS

FIRST QUARTER 2022 | April 29, 2022



FORWARD-LOOKING STATEMENTS

This presentation contains statements concerning the company's future results and performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including, but not limited to, with respect to: future cash dividends and dividend framework and target percentage return to shareholders of Adjusted Funds Available for Distribution (Adjusted FAD); our second quarter 2022 outlook and expectations concerning earnings and Adjusted EBITDA for each of our businesses and expected key drivers. Forward-looking statements may be identified by our use of certain words in such statements, including without limitation words such as "expected," "grow," "outlook," and "targeted," and similar words and terms and phrases using such terms and words. They may use the positive, negative or another variation of those and similar words. These forward-looking statements are based on our current expectations and assumptions and are not guarantees of future events or performance. These risks and uncertainties include, without limitation: the effect of general economic conditions, including employment rates, interest rate levels, inflation, housing starts, general availability of financing for home mortgages and the relative strength of the U.S. dollar; the effect of COVID-19 and other viral or disease outbreaks, including but not limited to any related regulatory restrictions or requirements, and their potential effects on our business, results of operations, cash flows, financial condition and future prospects; market demand for the company's products, including market demand for our timberland properties with higher and better uses, which is related to, among other factors, the strength of the various U.S. business segments and U.S. and international economic conditions; changes in currency exchange rates, particularly the relative value of the U.S. dollar to the Japanese yen, the Chinese yuan, and the Canadian dollar, and the relative value of the euro to the yen; restrictions on international trade and tariffs imposed on imports or exports; the availability and cost of shipping and transportation; economic activity in Asia, especially Japan and China; performance of our manufacturing operations, including maintenance and capital requirements; potential disruptions in our manufacturing operations; the level of competition from domestic and foreign producers; the successful execution of our internal plans and strategic initiatives, including restructuring and cost reduction initiatives; our ability to hire and retain capable employees; the successful and timely execution and integration of our strategic acquisitions, including our ability to realize expected benefits and synergies, and the successful and timely execution of our strategic divestitures, each of which is subject to a number of risks and conditions beyond our control including, but not limited to, timing and required regulatory approvals or the occurrence of any event, change or other circumstances that could give rise to a termination of any acquisition or divestiture transaction under the terms of the governing transaction agreements; raw material availability and prices; the effect of weather; changes in global or regional climate conditions and governmental response to such changes; the risk of loss from fires, floods, windstorms, hurricanes, pest infestation and other natural disasters; energy prices; transportation and labor availability and costs; federal tax policies; the effect of forestry, land use, environmental and other governmental regulations; legal proceedings; performance of pension fund investments and related derivatives; the effect of timing of employee retirements as it relates to the cost of pension benefits and changes in the market price of our common stock on charges for share-based compensation; the accuracy of our estimates of costs and expenses related to contingent liabilities and the accuracy of our estimates of charges related to casualty losses; changes in accounting principles; and other risks and uncertainties identified in our 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. Nothing on our website is intended to be included or incorporated by reference into, or made a part of, this presentation.

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

2022 Q1 CONSOLIDATED RESULTS

\$ Millions	2021		2022
	Q4	Q1	Change
Adjusted EBITDA			
Timberlands	\$ 176	\$ 247	\$ 71
Real Estate, Energy & Natural Resources	49	116	67
Wood Products	517	1,233	716
Unallocated Items	(68)	(99)	(31)
Total Adjusted EBITDA¹	\$ 674	\$ 1,497	\$ 823
Net Contribution to Earnings Before Special Items	\$ 540	\$ 1,328	\$ 788

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

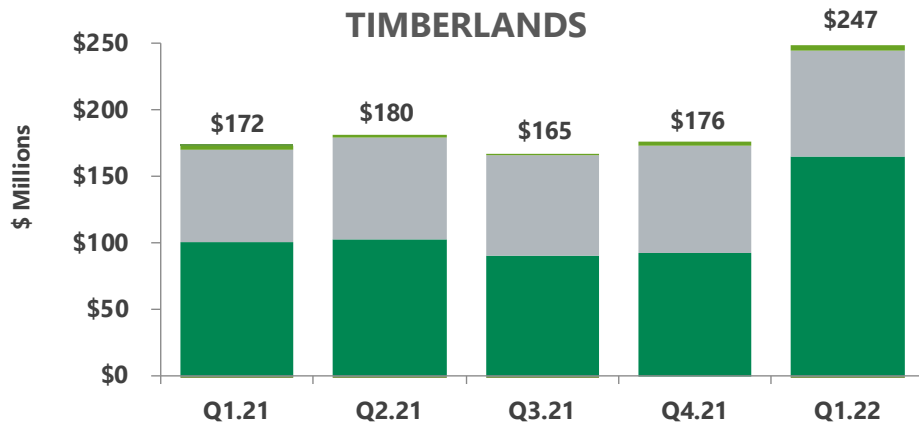
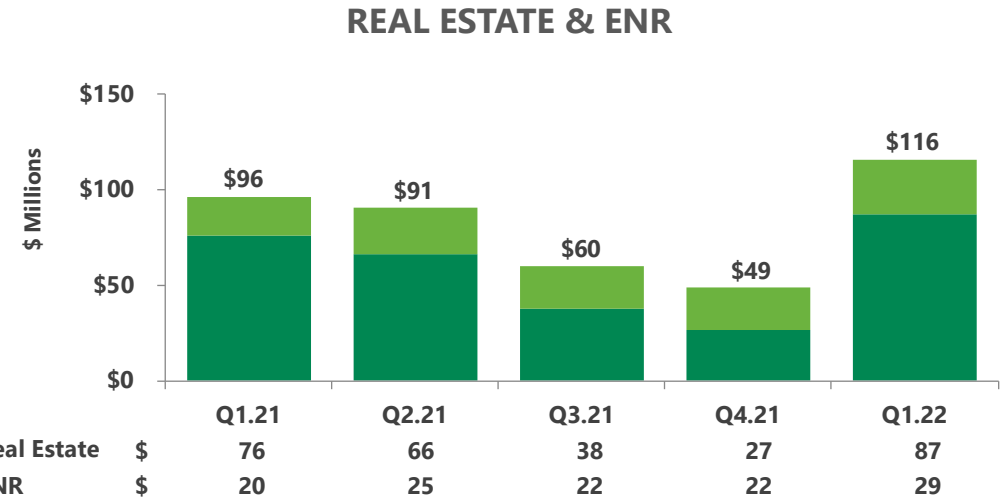
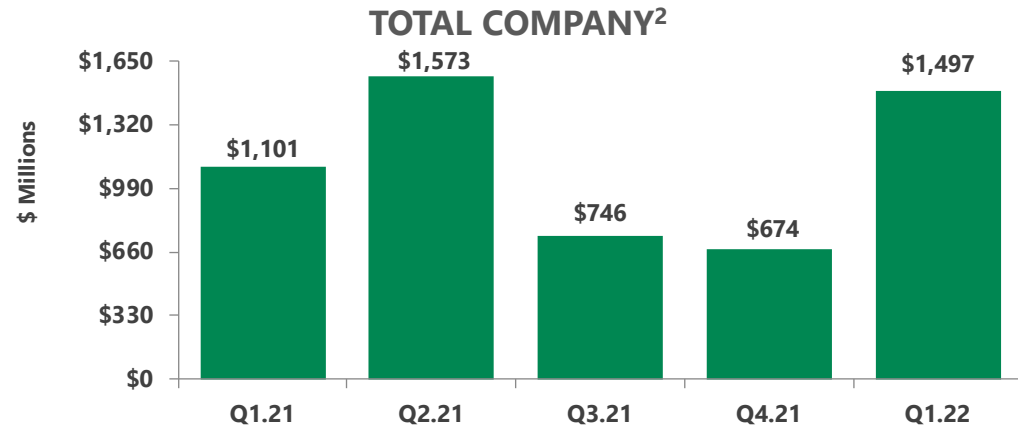
\$ Millions (except EPS)	2021		2022
	Q4	Q1	
Consolidated Statement of Operations Before Special Items			
Net sales	\$ 2,206	\$ 3,112	
Costs of sales	1,501	1,647	
Gross margin	705	1,465	
SG&A expenses	140	115	
Other expense, net ²	25	22	
Net Contribution to Earnings Before Special Items	\$ 540	\$ 1,328	
Interest expense, net ³	(77)	(72)	
Income taxes ⁴	(96)	(278)	
Net Earnings Before Special Items⁴	\$ 367	\$ 978	
Special items, after-tax ⁴	49	(207)	
Net Earnings	\$ 416	\$ 771	
Diluted EPS Before Special Items⁴	\$ 0.49	\$ 1.31	
Diluted EPS	\$ 0.55	\$ 1.03	



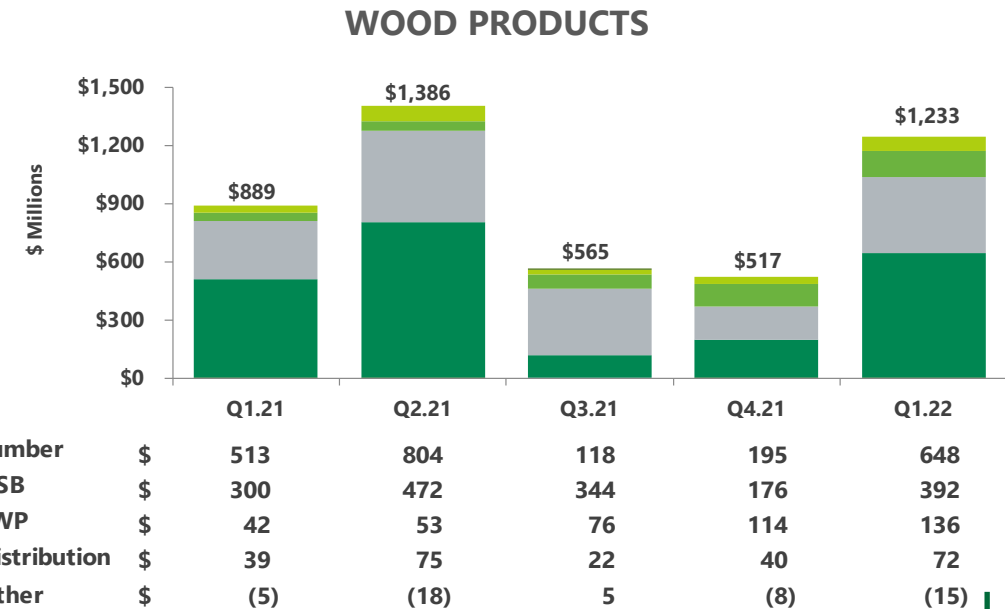
EARNINGS BEFORE SPECIAL ITEMS

\$ Millions (except EPS)	2021 Q4			2022 Q1		
	Pretax Earnings	After-Tax Earnings	Diluted EPS	Pretax Earnings	After-Tax Earnings	Diluted EPS
Earnings Before Special Items	\$ 463	\$ 367	\$ 0.49	\$ 1,256	\$ 978	\$ 1.31
Special Items:						
Loss on debt extinguishment	—	—	—	276	207	0.28
Legal benefit	15	12	0.01	—	—	—
Product remediation recovery	37	28	0.04	—	—	—
Insurance recovery	13	9	0.01	—	—	—
Total Special Items	65	49	0.06	276	207	0.28
Earnings Including Special Items (GAAP)	\$ 528	\$ 416	\$ 0.55	\$ 980	\$ 771	\$ 1.03

ADJUSTED EBITDA¹



	Q1.21	Q2.21	Q3.21	Q4.21	Q1.22
West	\$ 101	103	90	93	165
South	\$ 69	76	76	80	80
North	\$ 3	2	1	3	4
Other	\$ (1)	(1)	(2)	—	(2)



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

TIMBERLANDS SEGMENT

TIMBERLANDS (\$ Millions)	2021	2022
Adjusted EBITDA by Region	Q4	Q1
West	\$ 93	\$ 165
South	80	80
North	3	4
Other	—	(2)
Total Adjusted EBITDA¹	\$ 176	\$ 247

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

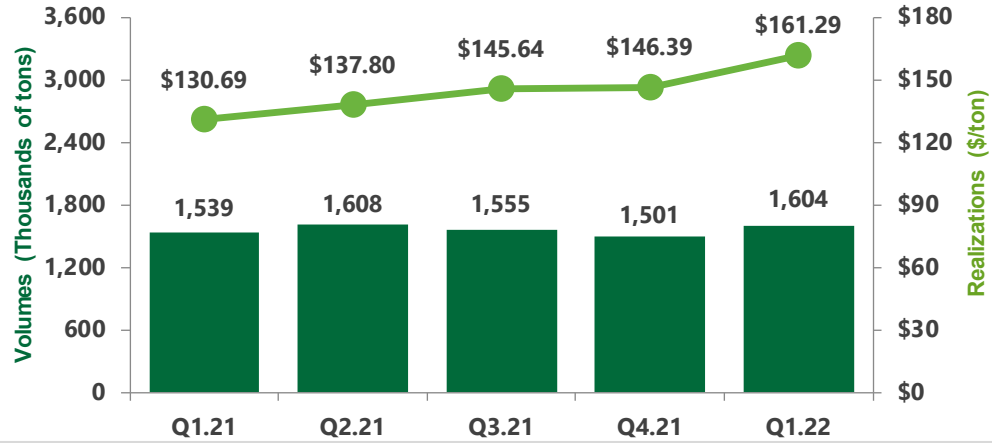
TIMBERLANDS (\$ Millions)	2021	2022
Segment Statement of Operations	Q4	Q1
Third-party sales	\$ 429	\$ 465
Intersegment sales	136	161
Total Sales	565	626
Costs of sales	432	423
Gross margin	133	203
SG&A expenses	24	24
Other (income) expense, net	(1)	(3)
Net Contribution to Earnings	\$ 110	\$ 182
Adjusted EBITDA¹	\$ 176	\$ 247
Adjusted EBITDA Margin Percentage²	31%	39%
Operating Margin Percentage³	19%	29%

TIMBERLANDS KEY DRIVERS: 2022 Q1 vs. 2021 Q4

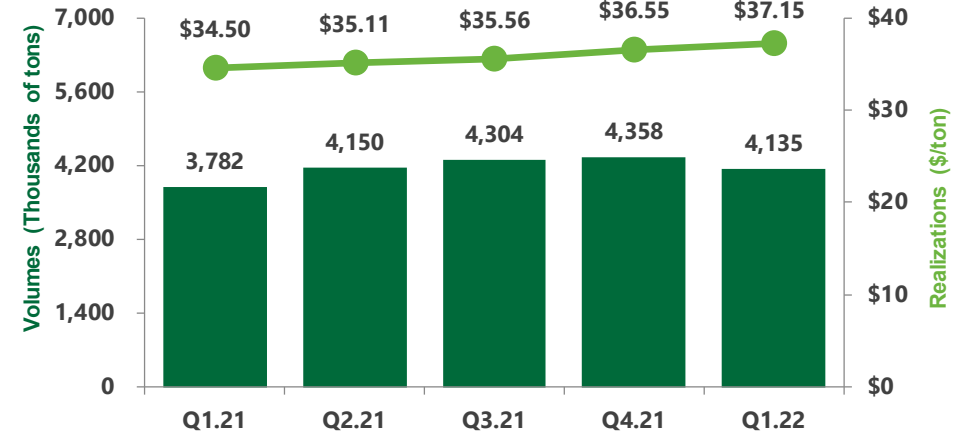
REGION	KEY DRIVERS
WEST	<ul style="list-style-type: none"> • Fee Harvest Volumes: Significantly higher, seasonal transition to lower elevation harvest activity • Domestic Sales Volumes: Significantly higher • Export Sales Volumes: Significantly lower, primarily for China, with shift to domestic market • Sales Realizations: Significantly higher for domestic and Japan, slightly higher for China • Per Unit Log and Haul Costs: Lower • Forestry and Road Costs: Significantly lower, seasonal
SOUTH	<ul style="list-style-type: none"> • Fee Harvest Volumes: Moderately lower, seasonal • Sales Realizations: Slightly higher for sawlogs and fiber logs • Per Unit Log and Haul Costs: Moderately higher, primarily for fuel-related transportation costs • Forestry and Road Costs: Significantly lower, seasonal
NORTH	<ul style="list-style-type: none"> • Fee Harvest Volumes: Slightly lower, seasonal reduction in harvest activity • Sales Realizations: Significantly higher

SALES VOLUMES, REALIZATIONS AND EXPORT REVENUE

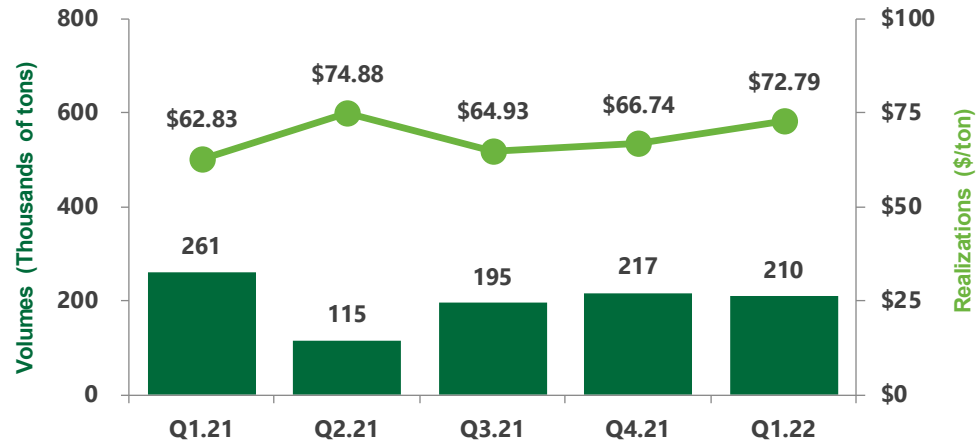
3rd-Party Log Sales and Realizations - West¹



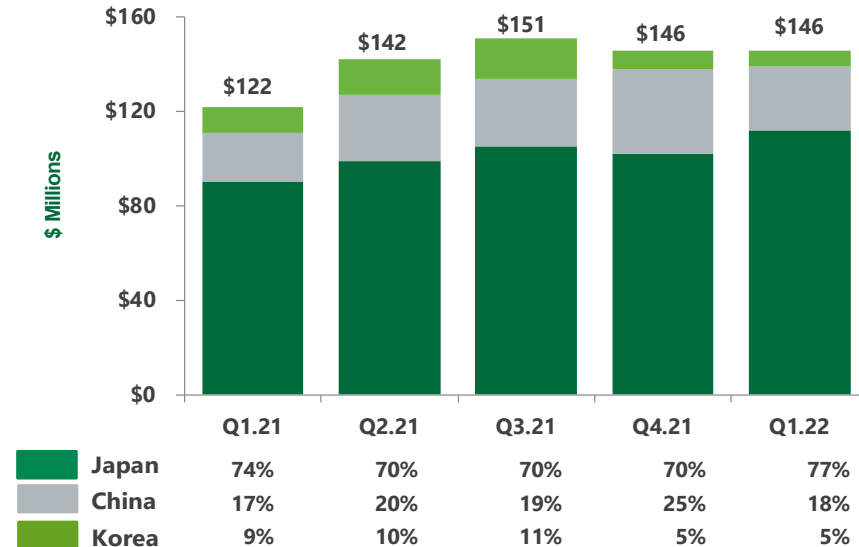
3rd-Party Log Sales and Realizations - South



3rd-Party Log Sales and Realizations - North



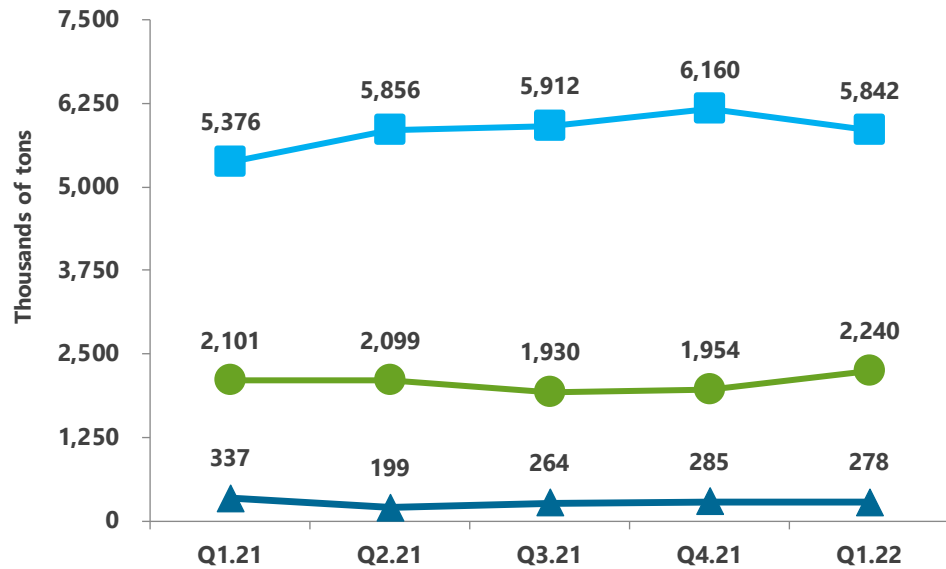
Western Export Log Revenue



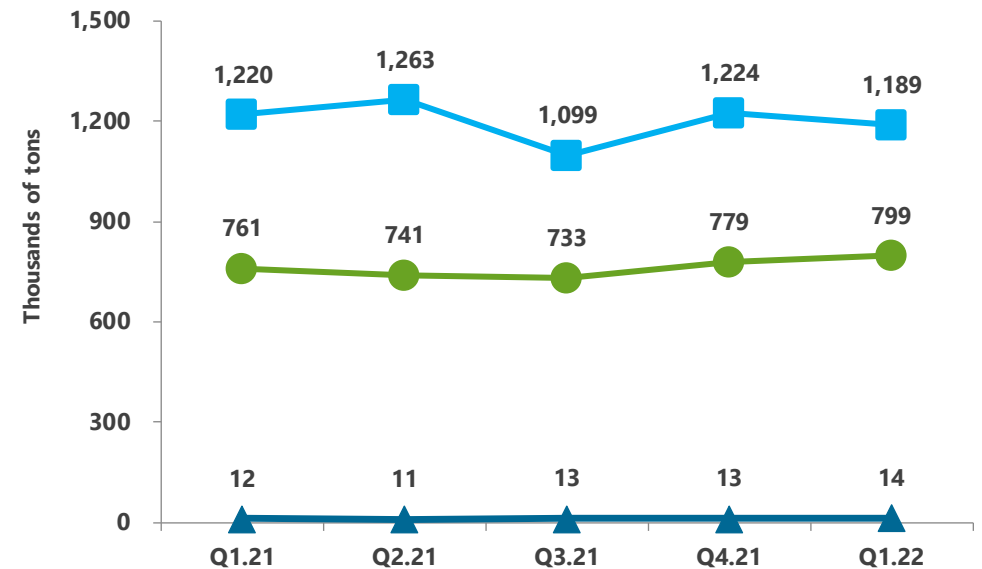
1. Western logs are primarily transacted in MBF but are converted to ton equivalents for external reporting purposes.

FEE HARVEST VOLUMES AND INTERSEGMENT SALES VOLUMES

FEE HARVEST VOLUMES



INTERSEGMENT LOG SALES VOLUMES



■ South
 ● West
 ▲ North

REAL ESTATE, ENERGY & NATURAL RESOURCES (ENR) SEGMENT

REAL ESTATE & ENR (\$ Millions)	2021	2022
Adjusted EBITDA by Business	Q4	Q1
Real Estate	\$ 27	\$ 87
Energy & Natural Resources	22	29
Total Adjusted EBITDA¹	\$ 49	\$ 116

KEY DRIVERS: 2022 Q1 vs. 2021 Q4

Real Estate

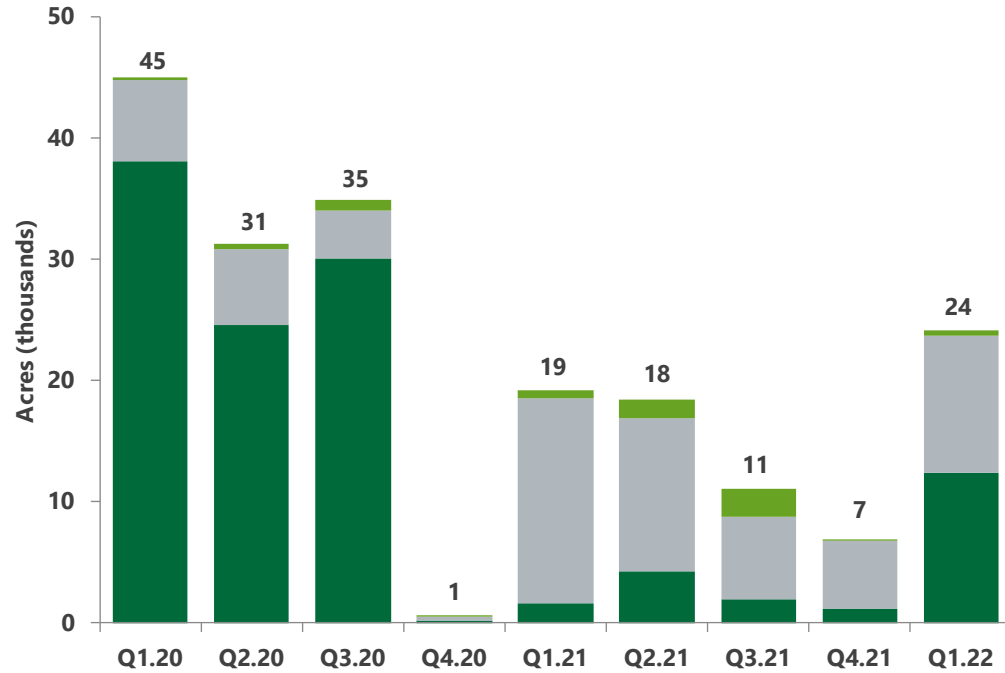
Significantly higher acres sold

1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 25](#).

REAL ESTATE & ENR (\$ Millions)	2021	2022
Segment Statement of Operations	Q4	Q1
Total sales	\$ 59	\$ 128
Costs of sales	16	41
Gross margin	43	87
SG&A expenses	7	6
Net Contribution to Earnings	\$ 36	\$ 81
Adjusted EBITDA¹	\$ 49	\$ 116

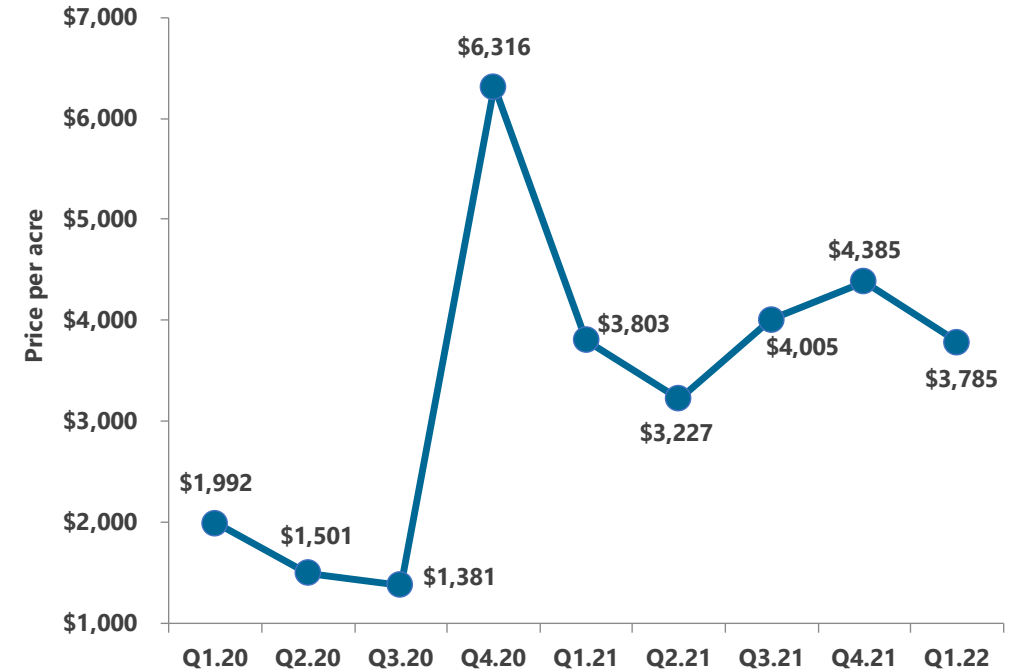
REAL ESTATE, ENERGY & NATURAL RESOURCES (ENR) SEGMENT

ACRES SOLD



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

AVERAGE PRICE PER ACRE



WOOD PRODUCTS SEGMENT

WOOD PRODUCTS (\$ Millions)	2021	2022
Adjusted EBITDA by Business	Q4	Q1
Lumber	\$ 195	\$ 648
OSB	176	392
Engineered Wood Products	114	136
Distribution	40	72
Other	(8)	(15)
Total Adjusted EBITDA¹	\$ 517	\$ 1,233

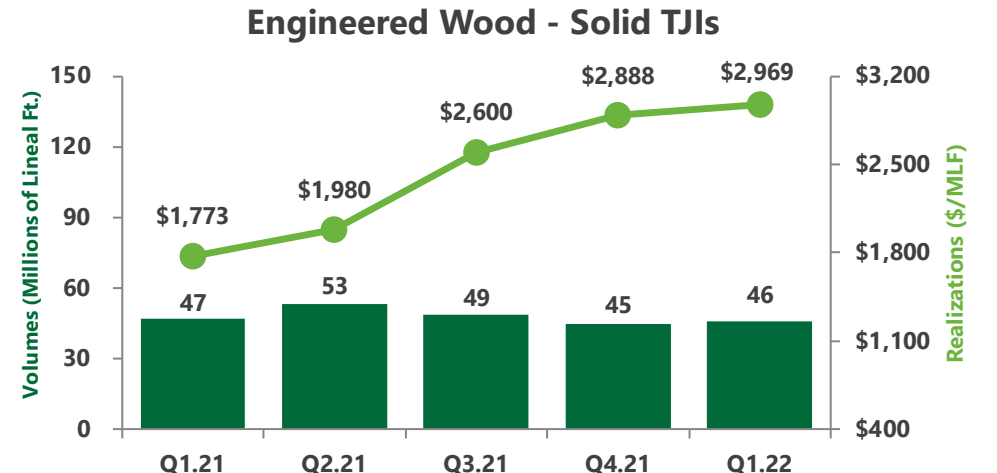
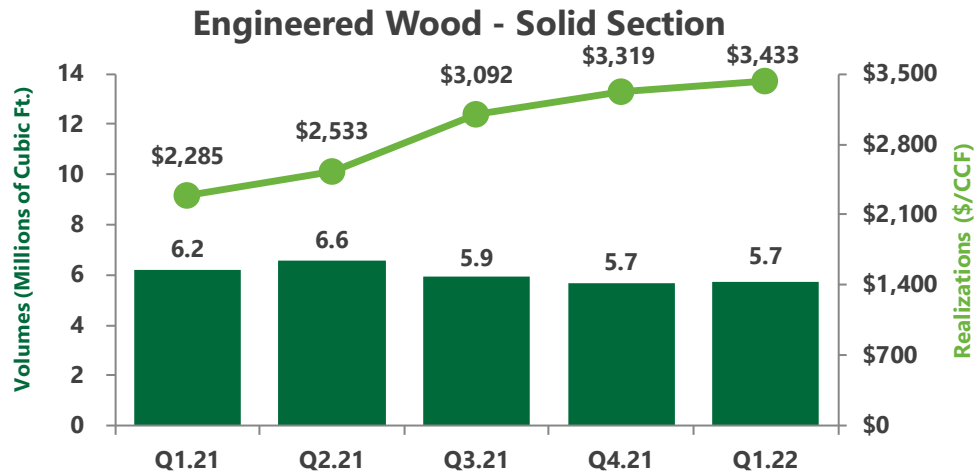
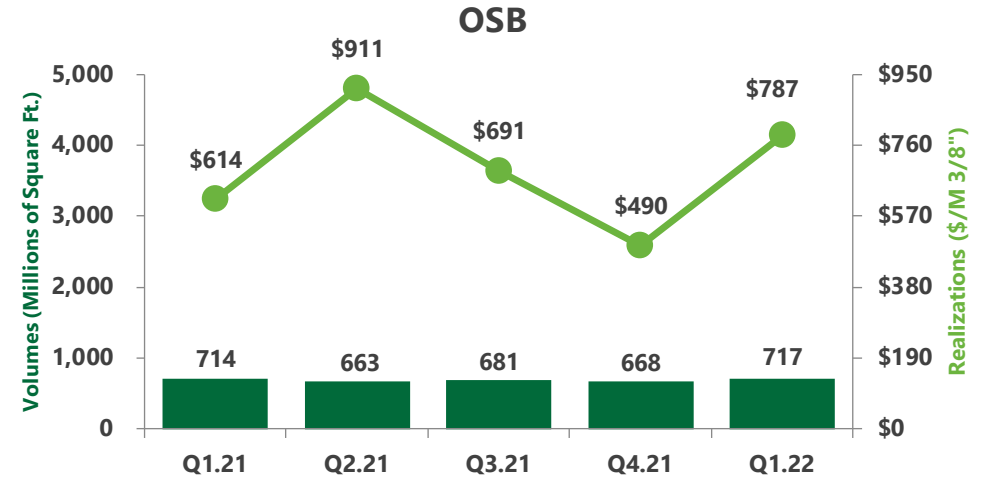
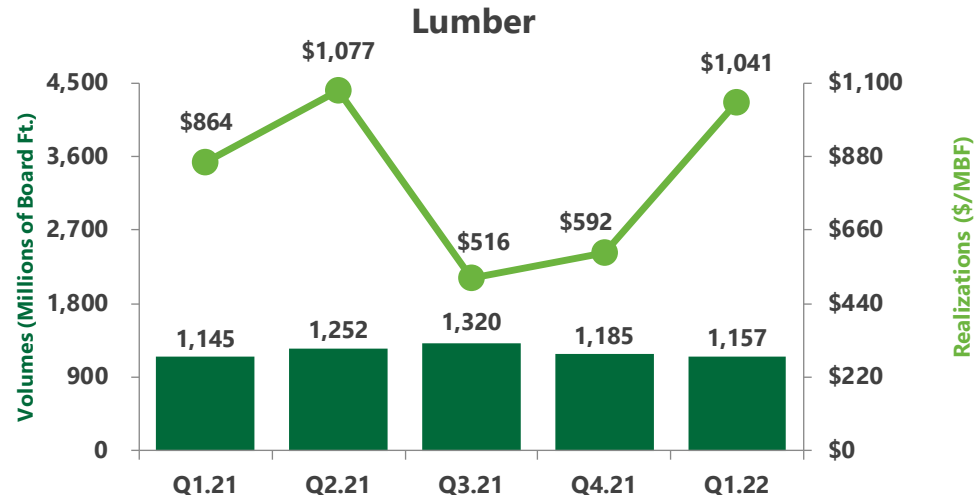
- Adjusted EBITDA for Wood Products businesses include earnings on internal sales, primarily from the manufacturing businesses to Distribution. These sales occur at market price. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 26](#).
- Fourth quarter 2021 excludes a \$37 million product remediation insurance recovery and a \$13 million insurance recovery. These are included in Special items, pretax.
- Adjusted EBITDA divided by total sales.
- Net contribution to earnings before special items divided by total sales.

WOOD PRODUCTS (\$ Millions)	2021	2022
Segment Statement of Operations	Q4	Q1
Total sales	\$ 1,718	\$ 2,519
Costs of sales	1,185	1,276
Gross margin	533	1,243
SG&A expenses	57	56
Other expense, net ²	10	5
Net Contribution to Earnings Before Special Items	\$ 466	\$ 1,182
Special items, pretax	50	—
Net Contribution to Earnings	\$ 516	\$ 1,182
Adjusted EBITDA¹	\$ 517	\$ 1,233
Adjusted EBITDA Margin Percentage³	30%	49%
Operating Margin Percentage⁴	27%	47%

WOOD PRODUCTS KEY DRIVERS: 2022 Q1 vs. 2021 Q4

BUSINESS	KEY DRIVERS
LUMBER	<ul style="list-style-type: none"> • Sales Realizations: Increased 76% • Sales Volumes: Slightly lower, ongoing transportation disruptions • Production Volumes: Moderately higher, less weather-related downtime and planned maintenance • Unit Manufacturing Costs: Comparable • Log Costs: Significantly higher, primarily for western logs
ORIENTED STRAND BOARD	<ul style="list-style-type: none"> • Sales Realizations: Increased 61% • Sales Volumes: Moderately higher, improved transportation in Canada as the quarter progressed • Production Volumes: Slightly higher, less planned maintenance • Unit Manufacturing Costs: Slightly higher • Fiber Costs: Significantly higher
ENGINEERED WOOD PRODUCTS	<ul style="list-style-type: none"> • Sales Realizations: Improved, significantly higher for plywood • Sales Volumes: Comparable • Production Volumes: Moderately lower • Raw Material Costs: Moderately higher, primarily OSB webstock and resin
DISTRIBUTION	<ul style="list-style-type: none"> • Strong demand and improved margins for all products

THIRD-PARTY SALES VOLUMES AND REALIZATIONS¹



1. Sales volumes include sales of internally produced products and products purchased for resale primarily through our Distribution business.

UNALLOCATED ITEMS

UNALLOCATED ITEMS (\$ Millions) ¹	2021	2022
	Q4	Q1
Unallocated corporate function expenses and variable compensation expense	\$ (35)	\$ (31)
Liability classified share-based compensation	(4)	1
Foreign exchange gains (losses)	3	—
Elimination of intersegment profit in inventory and LIFO	10	(59)
Non-operating pension and other post-employment benefit costs	(5)	(15)
Other, including interest income	(41)	(13)
Net Charge to Earnings Before Special Items	\$ (72)	\$ (117)
Special items, pretax	15	—
Net Charge to Earnings	\$ (57)	\$ (117)
Adjusted EBITDA²	\$ (68)	\$ (99)

UNALLOCATED ITEMS (\$ Millions) ¹	2021	2022
	Q4	Q1
Costs of sales ³	\$ (4)	\$ (68)
G&A expense ⁴	(49)	(27)
Other expense, net ⁵	(19)	(22)
Net Charge to Earnings Before Special Items	\$ (72)	\$ (117)
Special items, pretax	15	—
Net Charge to Earnings	\$ (57)	\$ (117)

1. Unallocated items are gains or charges not related to or allocated to an individual operating segment.
2. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 27](#).
3. Costs of sales is composed primarily of elimination of intersegment profit in inventory and LIFO and incentive compensation.
4. G&A expense is comprised primarily of share-based compensation, pension service costs, corporate function expenses and incentive compensation.
5. Fourth quarter 2021 excludes a \$15 million noncash legal benefit. This is included in Special items, pretax.



FINANCIAL ITEMS

KEY FINANCIAL METRICS (\$ Millions)	2021		2022	
	Q4		Q1	
Ending Cash Balance	\$ 1,879	\$ 1,205		
Total Debt	\$ 5,099	\$ 5,053		
Net Debt to Adjusted EBITDA (LTM) ¹	0.8	0.9		
Net Debt to Enterprise Value ²	9%	12%		

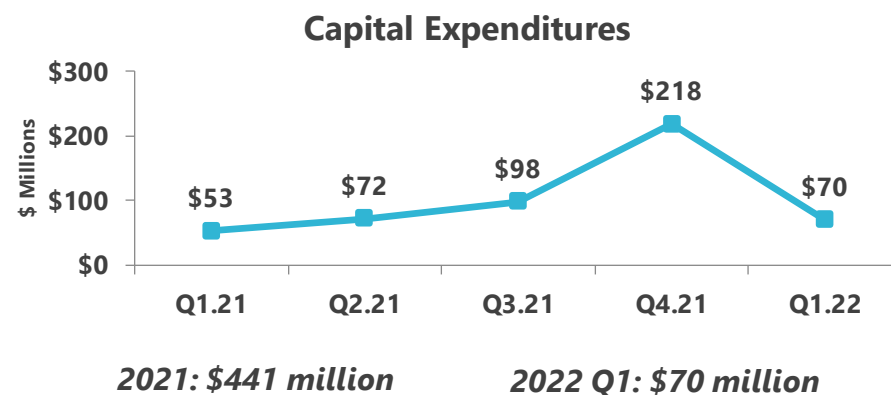
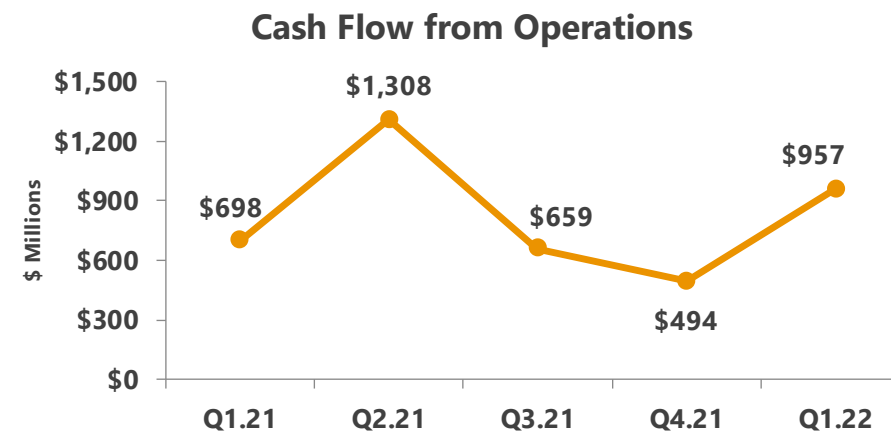
Share Repurchases

(\$ Millions)	2021		2022	
	Q4		Q1	
Share Repurchases ³	\$ 74	\$ 121		

Scheduled Debt Maturities as of March 31, 2022

(\$ Millions)	2022	2023	2024	2025	2026
Debt Maturities	\$ —	\$ 978	\$ —	\$ 210	\$ 272

1. LTM = last twelve months. A reconciliation to GAAP is set forth on [Slide 28](#).
2. Total debt, net of cash and cash equivalents, divided by enterprise value. Enterprise value is defined as total debt, net of cash and cash equivalents, plus market capitalization as of the end of the quarter.
3. Average price paid per share for fourth quarter 2021 and first quarter 2022 were \$37.60 and \$37.87, respectively. As of March 31, 2022, there were 78,380 shares (approximately \$3 million) that had not yet been settled. There were no unsettled shares as of December 31, 2021.



ADJUSTED FUNDS AVAILABLE FOR DISTRIBUTION

Allocation Framework and Cash Return Calculation

ADJUSTED FUNDS AVAILABLE FOR DISTRIBUTION¹ ALLOCATION FRAMEWORK

Return 75-80% of Adj. FAD to Shareholders



SUSTAINABLE BASE DIVIDEND

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



SUPPLEMENTAL DIVIDEND² AND/OR SHARE REPURCHASE

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

20-25% of Adj. FAD



EXCESS CASH

available for growth, debt paydown and additional share repurchase

TARGETED RETURN OF CASH TO SHAREHOLDERS

Calculated on an Annual Basis

Adjusted FAD



75-80% Payout



Targeted Return to Shareholders



Quarterly Base Cash Dividends



Cash Available for Allocation Between
Supplemental Dividend² and/or
Opportunistic Share Repurchase

To Achieve
75-80%
Payout

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



ADJUSTED FUNDS AVAILABLE FOR DISTRIBUTION¹




Cash Return To Shareholders Update

ADJUSTED FUNDS AVAILABLE FOR DISTRIBUTION (\$ Millions)		2022
		Q1
Net Cash from Operations	\$	957
Capital Expenditures		(70)
Adjustments to FAD ²		(37)
2022 Q1 Adjusted Funds Available for Distribution	\$	850

1. Our definition of Adjusted funds available for distribution (Adjusted FAD) and a reconciliation to GAAP are set forth on [Slide 29](#).
2. Adjustments to FAD include a \$37 million product remediation insurance recovery received in first quarter 2022.
3. Expected to be declared and paid in first quarter 2023, based on full year 2022 results.

TARGETED RETURN OF CASH TO SHAREHOLDERS

Based on 2022 Q1 Results and Activity

	\$ MM
2022 Q1 Adjusted FAD	\$850
 Midpoint of 75-80% Payout	\$659
 2022 Q1 Base Cash Dividends	(\$134)
 Cash Available for Allocation Between Supplemental Dividend³ and/or Opportunistic Share Repurchase	

**To Achieve
75-80%
Payout**





2022 Q2 OUTLOOK

SEGMENT	EXPECTED EARNINGS ¹ & ADJUSTED EBITDA	KEY DRIVERS		
TIMBERLANDS	Significantly lower than 2022 Q1, but higher than any other quarter since 2018 Q4	West Fee Harvest Volumes: Comparable Sales Realizations: Slightly lower Per Unit Log and Haul Costs: Significantly higher Forestry and Road Costs: Significantly higher	South Fee Harvest Volumes: Moderately higher Sales Realizations: Comparable Per Unit Log and Haul Costs: Moderately higher Forestry and Road Costs: Significantly higher	North Fee Harvest Volumes: Significantly lower Sales Realizations: Significantly higher
REAL ESTATE, ENERGY & NATURAL RESOURCES	Earnings comparable to 2021 Q2 Adjusted EBITDA slightly higher than 2021 Q2	Real Estate Acres Sold: Higher compared to 2021 Q2 Basis: Higher compared to 2021 Q2, mix of properties sold		
WOOD PRODUCTS	Higher than 2022 Q1, excluding the effect of changes in average sales realizations for lumber and oriented strand board	Lumber Sales Volumes: Significantly higher Log Costs: Moderately lower Unit Mfg. Costs: Moderately lower	OSB Sales Volumes: Moderately higher Fiber Costs: Comparable Unit Mfg. Costs: Slightly lower	Engineered Wood Products Sales Realizations: Comparable Production and Sales Volumes: Significantly higher for most products Raw Material Costs: Significantly higher, primarily for OSB webstock Distribution Significantly lower, reduced commodity margins

1. Earnings before special items.



WOOD PRODUCTS SALES REALIZATIONS: CURRENT VS. 2022 Q1

WEYERHAEUSER'S AVERAGE SALES REALIZATIONS			
Approximate Change As of April 22, 2022			
LUMBER¹ 	Q2 QTD vs. Q1 AVERAGE	-\$130/MBF LOWER	WY's SENSITIVITY CHANGE IN REALIZATIONS \$10/MBF ≈ \$50 million EBITDA ANNUALLY
	CURRENT vs. Q1 AVERAGE	-\$185/MBF LOWER	
OSB² 	Q2 QTD vs. Q1 AVERAGE	+\$135/MSF HIGHER	WY's SENSITIVITY CHANGE IN REALIZATIONS \$10/MSF ≈ \$30 million EBITDA ANNUALLY
	CURRENT vs. Q1 AVERAGE	COMPARABLE	

1. Changes in average realizations typically lag changes in industry benchmark pricing due to length of order files.

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

EARNINGS SUMMARY

\$ Millions (except EPS)	2021				2022
	Q1	Q2	Q3	Q4	Q1
Adjusted EBITDA by Segment					
Timberlands	\$ 172	\$ 180	\$ 165	\$ 176	\$ 247
Real Estate, Energy & Natural Resources	96	91	60	49	116
Wood Products	889	1,386	565	517	1,233
Unallocated Items	(56)	(84)	(44)	(68)	(99)
Total Adjusted EBITDA¹	\$ 1,101	\$ 1,573	\$ 746	\$ 674	\$ 1,497
DD&A, basis of real estate sold, non-operating pension and post-employment costs, and interest income and other	(152)	(143)	(133)	(134)	(169)
Net Contribution to Earnings Before Special Items	\$ 949	\$ 1,430	\$ 613	\$ 540	\$ 1,328
Interest expense, net	(79)	(78)	(79)	(77)	(72)
Income taxes ²	(189)	(324)	(84)	(96)	(278)
Net Earnings Before Special Items³	\$ 681	\$ 1,028	\$ 450	\$ 367	\$ 978
Special items, after-tax ²	—	—	32	49	(207)
Net Earnings	\$ 681	\$ 1,028	\$ 482	\$ 416	\$ 771
Diluted EPS Before Special Items³	\$ 0.91	\$ 1.37	\$ 0.60	\$ 0.49	\$ 1.31
Diluted EPS	\$ 0.91	\$ 1.37	\$ 0.64	\$ 0.55	\$ 1.03

1. See [Slide 23](#) for our definition of Adjusted EBITDA.

2. Income taxes excludes taxes related to special items. Special items, after-tax include a loss on debt extinguishment for first quarter 2022.

3. A reconciliation to GAAP EPS is set forth on [Slide 22](#).

EARNINGS PER SHARE RECONCILIATION

	2021				2022
	Q1	Q2	Q3	Q4	Q1
Diluted EPS Before Special Items	\$ 0.91	\$ 1.37	\$ 0.60	\$ 0.49	\$ 1.31
Special Items:					
Loss on debt extinguishment	—	—	—	—	0.28
Legal benefit	—	—	—	0.01	—
Product remediation recovery	—	—	—	0.04	—
Gain on sale of timberlands	—	—	0.04	—	—
Insurance recovery	—	—	—	0.01	—
Diluted EPS (GAAP)	\$ 0.91	\$ 1.37	\$ 0.64	\$ 0.55	\$ 1.03

ADJUSTED EBITDA RECONCILIATION

By Segment

\$ Millions	2019		2020		2021				2022	
	FY	FY	Q1	Q2	Q3	Q4	FY	Q1	LTM ¹	
Timberlands	\$ 680	\$ 610	\$ 172	\$ 180	\$ 165	\$ 176	\$ 693	\$ 247	\$ 768	
Real Estate & ENR	274	241	96	91	60	49	296	116	316	
Wood Products	476	1,527	889	1,386	565	517	3,357	1,233	3,701	
Unallocated Items	(154)	(177)	(56)	(84)	(44)	(68)	(252)	(99)	(295)	
Adjusted EBITDA²	\$ 1,276	\$ 2,201	\$ 1,101	\$ 1,573	\$ 746	\$ 674	\$ 4,094	\$ 1,497	\$ 4,490	
Depletion, depreciation & amortization	(510)	(472)	(118)	(120)	(118)	(121)	(477)	(122)	(481)	
Basis of real estate sold	(116)	(141)	(27)	(24)	(11)	(9)	(71)	(31)	(75)	
Special items in operating income	1	122	—	—	32	65	97	—	97	
Operating Income (GAAP)	\$ 651	\$ 1,710	\$ 956	\$ 1,429	\$ 649	\$ 609	\$ 3,643	\$ 1,344	\$ 4,031	
Non-operating pension and other post-employment benefit costs	(516)	(290)	(8)	(1)	(5)	(5)	(19)	(15)	(26)	
Interest income and other	30	5	1	2	1	1	5	(1)	3	
Net Contribution to Earnings	\$ 165	\$ 1,425	\$ 949	\$ 1,430	\$ 645	\$ 605	\$ 3,629	\$ 1,328	\$ 4,008	
Interest expense, net	(369)	(351)	(79)	(78)	(79)	(77)	(313)	(72)	(306)	
Loss on debt extinguishment	(9)	(92)	—	—	—	—	—	(276)	(276)	
Income taxes ³	137	(185)	(189)	(324)	(84)	(112)	(709)	(209)	(729)	
Net Earnings (Loss) (GAAP)	\$ (76)	\$ 797	\$ 681	\$ 1,028	\$ 482	\$ 416	\$ 2,607	\$ 771	\$ 2,697	

1. LTM = last twelve months.

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

3. The income tax effects of special items can be found in a reconciliation set forth on [Slide 4](#).

ADJUSTED EBITDA RECONCILIATION

Timberlands

\$ Millions	2021				2022
	Q1	Q2	Q3	Q4	Q1
West	\$ 101	\$ 103	\$ 90	\$ 93	\$ 165
South	69	76	76	80	80
North	3	2	1	3	4
Other	(1)	(1)	(2)	—	(2)
Total Timberlands Adjusted EBITDA¹	\$ 172	\$ 180	\$ 165	\$ 176	\$ 247
West	(28)	(28)	(24)	(25)	(28)
South	(34)	(37)	(38)	(38)	(35)
North	(2)	(2)	(2)	(2)	(2)
Other	—	—	—	(1)	—
Total depletion, depreciation & amortization	\$ (64)	\$ (67)	\$ (64)	\$ (66)	\$ (65)
Special items	—	—	32	—	—
Operating Income and Net Contribution to Earnings (GAAP)	\$ 108	\$ 113	\$ 133	\$ 110	\$ 182

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

ADJUSTED EBITDA RECONCILIATION

Real Estate, Energy & Natural Resources

\$ Millions	2021				2022
	Q1	Q2	Q3	Q4	Q1
Real Estate	\$ 76	\$ 66	\$ 38	\$ 27	\$ 87
Energy & Natural Resources	20	25	22	22	29
Total Real Estate & ENR Adjusted EBITDA¹	\$ 96	\$ 91	\$ 60	\$ 49	\$ 116
Depletion, depreciation & amortization	(3)	(4)	(4)	(4)	(4)
Basis of real estate sold	(27)	(24)	(11)	(9)	(31)
Operating Income and Net Contribution to Earnings (GAAP)	\$ 66	\$ 63	\$ 45	\$ 36	\$ 81

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

ADJUSTED EBITDA RECONCILIATION

Wood Products

\$ Millions	2021				2022
	Q1	Q2	Q3	Q4	Q1
Lumber	\$ 513	\$ 804	\$ 118	\$ 195	\$ 648
OSB	300	472	344	176	392
EWP	42	53	76	114	136
Distribution	39	75	22	40	72
Other	(5)	(18)	5	(8)	(15)
Total Wood Products Adjusted EBITDA^{1,2}	\$ 889	\$ 1,386	\$ 565	\$ 517	\$ 1,233
Lumber	(28)	(28)	(26)	(30)	(28)
OSB	(8)	(9)	(8)	(9)	(9)
EWP	(10)	(9)	(10)	(9)	(10)
Distribution	(1)	(1)	(2)	(1)	(1)
Other	(2)	(1)	(2)	(2)	(3)
Total depletion, depreciation & amortization	\$ (49)	\$ (48)	\$ (48)	\$ (51)	\$ (51)
Special items	—	—	—	50	—
Operating Income and Net Contribution to Earnings (GAAP)	\$ 840	\$ 1,338	\$ 517	\$ 516	\$ 1,182

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

ADJUSTED EBITDA RECONCILIATION

Unallocated

\$ Millions	2021				2022
	Q1	Q2	Q3	Q4	Q1
Total Unallocated Adjusted EBITDA¹	\$ (56)	\$ (84)	\$ (44)	\$ (68)	\$ (99)
Total depletion, depreciation & amortization	(2)	(1)	(2)	—	(2)
Special items included in operating loss	—	—	—	15	—
Operating Loss (GAAP)	\$ (58)	\$ (85)	\$ (46)	\$ (53)	\$ (101)
Non-operating pension and other post-employment benefit costs	(8)	(1)	(5)	(5)	(15)
Interest income and other	1	2	1	1	(1)
Net Charge to Earnings (GAAP)	\$ (65)	\$ (84)	\$ (50)	\$ (57)	\$ (117)

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

NET DEBT TO ADJUSTED EBITDA RECONCILIATION

\$ Millions	2021				2022
	Q1	Q2	Q3	Q4	Q1
Net Debt to Adjusted EBITDA (LTM)^{1,2}	1.5	0.9	0.7	0.8	0.9
Total debt	\$ 5,475	\$ 5,250	\$ 5,250	\$ 5,099	\$ 5,053
Less: cash and cash equivalents	1,016	1,777	2,326	1,879	1,205
Net Debt	\$ 4,459	\$ 3,473	\$ 2,924	\$ 3,220	\$ 3,848
Adjusted EBITDA (LTM)	\$ 2,889	\$ 4,076	\$ 4,077	\$ 4,094	\$ 4,490
Depletion, depreciation & amortization	(467)	(470)	(473)	(477)	(481)
Basis of real estate sold	(106)	(96)	(67)	(71)	(75)
Special items in operating income	110	102	214	97	97
Operating Income (LTM) (GAAP)	\$ 2,426	\$ 3,612	\$ 3,751	\$ 3,643	\$ 4,031
Non-operating pension and other post-employment benefit costs	(289)	(280)	(276)	(19)	(26)
Interest income and other	5	5	4	5	3
Net Contribution to Earnings (LTM)	\$ 2,142	\$ 3,337	\$ 3,479	\$ 3,629	\$ 4,008
Interest expense, net of capitalized interest	(437)	(412)	(380)	(313)	(306)
Loss on debt extinguishment	—	—	—	—	(276)
Income taxes ³	(377)	(641)	(616)	(709)	(729)
Net Earnings (LTM) (GAAP)	\$ 1,328	\$ 2,284	\$ 2,483	\$ 2,607	\$ 2,697

1. LTM = last twelve months.

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

3. The income tax effects of special items can be found in a reconciliation set forth on [Slide 4](#).

FUNDS AVAILABLE FOR DISTRIBUTION RECONCILIATION

ADJUSTED FUNDS AVAILABLE FOR DISTRIBUTION (\$ Millions)	2019	2020	2021	2022
	FY	FY	FY	Q1
Net Cash from Operations	\$ 966	\$ 1,529	\$ 3,159	\$ 957
Capital Expenditures	(384)	(281)	(441)	(70)
Funds Available for Distribution ¹	\$ 582	\$ 1,248	\$ 2,718	\$ 887
Cash from product remediation insurance recoveries	(68)	(8)	—	(37)
Cash tax refund associated with contribution to our U.S. qualified pension plan	—	—	(95)	—
Adjusted Funds Available for Distribution ²	\$ 514	\$ 1,240	\$ 2,623	\$ 850

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