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Weyerhaeuser reports third quarter results

- **Achieved net earnings of \$310 million, or \$0.42 per diluted share**
- **Generated \$583 million of Adjusted EBITDA**
- **Repurchased \$404 million of common shares year to date, through the third quarter**

SEATTLE, October 27, 2022 – [Weyerhaeuser Company](#) (NYSE: WY) today reported third quarter net earnings of \$310 million, or 42 cents per diluted share, on net sales of \$2.3 billion. This compares with net earnings of \$482 million, or 64 cents per diluted share, on net sales of \$2.3 billion for the same period last year and net earnings of \$788 million for the second quarter of 2022. There were no special items in third quarter or second quarter 2022. Net earnings before special items was \$450 million for the same period last year.

Adjusted EBITDA for the third quarter of 2022 was \$583 million compared with \$746 million for the same period last year and \$1.2 billion for the second quarter of 2022.

“In the third quarter, we delivered solid results across our businesses, despite increasing macroeconomic headwinds,” said Devin W. Stockfish, president and chief executive officer. “Although near-term market conditions have moderated, we maintain a constructive longer-term outlook for the demand fundamentals that support our businesses. Looking ahead, our balance sheet is exceptionally strong, and we are well positioned to navigate through a range of market conditions. We remain focused on serving our customers and driving long-term value for our shareholders through an unmatched portfolio of assets, industry-leading performance and disciplined capital allocation.”

WEYERHAEUSER FINANCIAL HIGHLIGHTS

(millions, except per share data)

	2022	2022	2021
	Q2	Q3	Q3
Net sales	\$2,973	\$2,276	\$2,345
Net earnings	\$788	\$310	\$482
Net earnings per diluted share	\$1.06	\$0.42	\$0.64
Weighted average shares outstanding, diluted	746	741	751
Net earnings before special items ⁽¹⁾⁽²⁾	\$788	\$310	\$450
Net earnings per diluted share before special items ⁽¹⁾	\$1.06	\$0.42	\$0.60
Adjusted EBITDA ⁽¹⁾	\$1,205	\$583	\$746
Net cash from operations	\$1,146	\$562	\$659
Adjusted FAD ⁽³⁾	\$1,065	\$468	\$561

(1) Net earnings before special items is a non-GAAP measure that management believes provides helpful context in understanding the company’s earnings performance. Additionally, Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Adjusted EBITDA, as we define it, is operating income adjusted for depreciation, depletion, amortization, basis of real estate sold and special items. Net earnings before special items and Adjusted EBITDA should not be considered in isolation from, and are not intended to represent an alternative to, our GAAP results. Reconciliations of net earnings before special items and Adjusted EBITDA to GAAP earnings are included within this release.

(2) Special items for prior periods presented are included in the reconciliation tables 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)	2022 Q2	2022 Q3	Change
Net sales	\$671	\$574	\$(97)
Net contribution to pretax earnings	\$153	\$107	\$(46)
Adjusted EBITDA	\$219	\$168	\$(51)

Q3 2022 Performance – In the West, fee harvest volumes and domestic sales volumes were lower than the second quarter due to the work stoppage that commenced in mid-September, impacting a portion of our operations in the region. Domestic sales realizations were comparable and per unit log and haul costs were lower. Export sales realizations and volumes were significantly lower due to softening demand, and volumes were further affected by a reduction in export activity resulting from the work stoppage. In the South, fee harvest volumes, sales realizations, and per unit log and haul costs were all comparable to the second quarter. Forestry and road costs in the West and South were seasonally higher.

Q4 2022 Outlook – Weyerhaeuser anticipates fourth quarter earnings and Adjusted EBITDA will be significantly lower than third quarter 2022. In the West, the company expects lower fee harvest and sales volumes resulting from the work stoppage. Sales realizations are expected to be significantly lower due to softening demand. The company expects lower per unit log and haul costs and significantly lower forestry and road costs. In the South, fee harvest volumes and forestry and road costs are expected to be slightly higher, and per unit log and haul costs and sales realizations are expected to be comparable.

REAL ESTATE, ENERGY & NATURAL RESOURCES

FINANCIAL HIGHLIGHTS

(millions)	2022 Q2	2022 Q3	Change
Net sales	\$117	\$68	\$(49)
Net contribution to pretax earnings	\$65	\$48	\$(17)
Adjusted EBITDA	\$107	\$60	\$(47)

Q3 2022 Performance – Earnings and Adjusted EBITDA decreased from the second quarter due to lower real estate sales, partially offset by an increase in royalty income from our Energy and Natural Resources business. The number of real estate acres sold decreased significantly due to the timing of transactions, partially offset by an increase in the average price per acre due to the mix of properties sold.

Q4 2022 Outlook – Weyerhaeuser anticipates fourth quarter earnings and Adjusted EBITDA will be lower than third quarter 2022 due to the timing and mix of real estate sales, as well as lower royalty income from our Energy and Natural Resources business. The company still expects full year 2022 Adjusted EBITDA of approximately \$325 million and now expects basis as a percentage of real estate sales to be 35 to 40 percent for the full year.

WOOD PRODUCTS

FINANCIAL HIGHLIGHTS

(millions)	2022 Q2	2022 Q3	Change
Net sales	\$2,341	\$1,767	\$(574)
Net contribution to pretax earnings	\$863	\$344	\$(519)
Adjusted EBITDA	\$912	\$395	\$(517)

Q3 2022 Performance – Sales realizations for lumber and oriented strand board decreased 28 percent and 41 percent, respectively, compared with second quarter averages. Sales and production volumes for lumber were moderately lower, largely due to the work stoppage at our mills in Washington and Oregon that commenced in mid-September. Unit manufacturing costs were higher, and log costs were moderately lower. Sales and production volumes

for oriented strand board were slightly lower due to downtime for planned annual maintenance and transportation challenges in Canada. Unit manufacturing costs were higher, and fiber costs were comparable. Sales realizations were higher for most engineered wood products, while sales and production volumes were lower for most products due to downtime for planned annual maintenance, transportation challenges in Canada and labor constraints. Unit manufacturing costs for engineered wood products were higher, and raw material costs were significantly lower, primarily for oriented strand board webstock.

Q4 2022 Outlook – Weyerhaeuser anticipates fourth quarter earnings and Adjusted EBITDA will be lower than third quarter 2022, excluding the effect of changes in average sales realizations for lumber and oriented strand board. For lumber, the company expects significantly lower log costs, partially offset by lower sales volumes resulting from the work stoppage at our mills in Washington and Oregon. For oriented strand board, the company anticipates slightly higher sales volumes, comparable fiber costs, and significantly lower unit manufacturing costs due to less downtime for planned annual maintenance. Sales volumes and realizations are expected to be lower for most engineered wood products, partially offset by significantly lower raw material costs, primarily for oriented strand board webstock. For distribution, the company expects lower sales volumes and realizations for most products.

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 October 28, 2022 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 28, 2022.

To join the conference call from within North America, dial 1-877-407-0792 (access code: 13724916) at least 15 minutes prior to the call. Those calling from outside North America should dial 201-689-8263 (access code: 13724916). Replays will be available for two weeks at 1-844-512-2921 (access code: 13724916) from within North America, and at 1-412-317-6671 (access code: 13724916) 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; fee harvest and sales volumes and sales realizations for our Timberlands business; log and haul, forestry and road costs and expenses; basis for real estate acres to be sold; sales volumes for our lumber business; sales volumes and unit manufacturing costs for our oriented strand board business; sales realizations and sales volumes for our engineered wood products business; log and raw materials costs for each of our Wood Products lines; sales volumes and sales realizations for our Distribution business; long-term demand fundamentals affecting our businesses; and our future performance through changing market conditions. 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 ahead,” “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 and cost 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 June 30, 2022:

(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					\$788
Interest expense, net of capitalized interest					65
Income taxes					184
Net contribution (charge) to earnings	\$153	\$65	\$863	\$(44)	\$1,037
Non-operating pension and other post-employment benefit costs	—	—	—	11	11
Interest income and other	—	—	—	(1)	(1)
Operating income (loss)	153	65	863	(34)	1,047
Depreciation, depletion and amortization	66	3	49	1	119
Basis of real estate sold	—	39	—	—	39
Adjusted EBITDA	\$219	\$107	\$912	\$(33)	\$1,205

The table below reconciles Adjusted EBITDA for the quarter ended September 30, 2022:

(millions)	Timberlands	Real Estate & ENR	Wood Products	Unallocated Items	Total
Adjusted EBITDA by Segment:					
Net earnings					\$310
Interest expense, net of capitalized interest					67
Income taxes					77
Net contribution (charge) to earnings	\$107	\$48	\$344	\$(45)	\$454
Non-operating pension and other post-employment benefit costs	—	—	—	12	12
Interest income and other	—	—	—	(9)	(9)
Operating income (loss)	107	48	344	(42)	457
Depreciation, depletion and amortization	61	5	51	2	119
Basis of real estate sold	—	7	—	—	7
Adjusted EBITDA	\$168	\$60	\$395	\$(40)	\$583

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 year-to-date period ended September 30, 2022:

(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					\$1,869
Interest expense, net of capitalized interest					204
Loss on debt extinguishment ⁽¹⁾					276
Income taxes					470
Net contribution (charge) to earnings	\$442	\$194	\$2,389	\$(206)	\$2,819
Non-operating pension and other post-employment benefit costs	—	—	—	38	38
Interest income and other	—	—	—	(9)	(9)
Operating income (loss)	442	194	2,389	(177)	2,848
Depreciation, depletion and amortization	192	12	151	5	360
Basis of real estate sold	—	77	—	—	77
Adjusted EBITDA	\$634	\$283	\$2,540	\$(172)	\$3,285

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

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)	<u>2022 Q2</u>	<u>2022 Q3</u>	<u>2021 Q3</u>
Net earnings	\$788	\$310	\$482
Gain on sale of timberlands	—	—	(32)
Net earnings before special items	\$788	\$310	\$450

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

(millions)	<u>2022 Q2</u>	<u>2022 Q3</u>	<u>2021 Q3</u>
Net earnings per diluted share	\$1.06	\$0.42	\$0.64
Gain on sale of timberlands	—	—	(0.04)
Net earnings per diluted share before special items	\$1.06	\$0.42	\$0.60

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)	2022 Q2	2022 Q3	2021 Q3	2022 Q3 YTD
Net cash from operations	\$1,146	\$562	\$659	\$2,665
Capital expenditures	(81)	(94)	(98)	(245)
Adjustments to FAD ⁽¹⁾	—	—	—	(37)
Adjusted FAD	\$1,065	\$468	\$561	\$2,383

(1) Adjustments to FAD include a \$37 million product remediation insurance recovery received in first quarter 2022.

Q3.2022 Analyst Package

Preliminary results (unaudited)

Consolidated Statement of Operations

	Q1	Q2	Q3		Year-to-Date	
	March 31, 2022	June 30, 2022	Sept 30, 2022	Sept 30, 2021	Sept 30, 2022	Sept 30, 2021
in millions						
Net sales	\$ 3,112	\$ 2,973	\$ 2,276	\$ 2,345	\$ 8,361	\$ 7,995
Costs of sales	1,647	1,789	1,694	1,589	5,130	4,602
Gross margin	1,465	1,184	582	756	3,231	3,393
Selling expenses	23	23	24	24	70	68
General and administrative expenses	92	102	100	98	294	283
Other operating costs (income), net	6	12	1	(15)	19	8
Operating income	1,344	1,047	457	649	2,848	3,034
Non-operating pension and other post-employment benefit costs	(15)	(11)	(12)	(5)	(38)	(14)
Interest income and other	(1)	1	9	1	9	4
Interest expense, net of capitalized interest	(72)	(65)	(67)	(79)	(204)	(236)
Loss on debt extinguishment	(276)	—	—	—	(276)	—
Earnings before income taxes	980	972	387	566	2,339	2,788
Income taxes	(209)	(184)	(77)	(84)	(470)	(597)
Net earnings	\$ 771	\$ 788	\$ 310	\$ 482	\$ 1,869	\$ 2,191

Per Share Information

	Q1	Q2	Q3		Year-to-Date	
	March 31, 2022	June 30, 2022	Sept 30, 2022	Sept 30, 2021	Sept 30, 2022	Sept 30, 2021
Earnings per share, basic and diluted	\$ 1.03	\$ 1.06	\$ 0.42	\$ 0.64	\$ 2.51	\$ 2.92
Dividends paid per common share	\$ 1.63	\$ 0.18	\$ 0.18	\$ 0.17	\$ 1.99	\$ 0.51
Weighted average shares outstanding (in thousands):						
Basic	747,507	744,542	740,058	750,105	743,990	749,657
Diluted	748,823	745,582	740,975	751,443	745,081	750,999
Common shares outstanding at end of period (in thousands)	745,442	741,738	737,547	749,037	737,547	749,037

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

	Q1	Q2	Q3		Year-to-Date	
	March 31, 2022	June 30, 2022	Sept 30, 2022	Sept 30, 2021	Sept 30, 2022	Sept 30, 2021
in millions						
Net earnings	\$ 771	\$ 788	\$ 310	\$ 482	\$ 1,869	\$ 2,191
Non-operating pension and other post-employment benefit costs	15	11	12	5	38	14
Interest income and other	1	(1)	(9)	(1)	(9)	(4)
Interest expense, net of capitalized interest	72	65	67	79	204	236
Loss on debt extinguishment	276	—	—	—	276	—
Income taxes	209	184	77	84	470	597
Operating income	1,344	1,047	457	649	2,848	3,034
Depreciation, depletion and amortization	122	119	119	118	360	356
Basis of real estate sold	31	39	7	11	77	62
Special items included in operating income	—	—	—	(32)	—	(32)
Adjusted EBITDA⁽¹⁾	\$ 1,497	\$ 1,205	\$ 583	\$ 746	\$ 3,285	\$ 3,420

(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.

Q3.2022 Analyst Package

Preliminary results (unaudited)

Special Items Included in Net Earnings (Income Tax Affected)

	Q1	Q2	Q3		Year-to-Date	
	March 31, 2022	June 30, 2022	Sept 30, 2022	Sept 30, 2021	Sept 30, 2022	Sept 30, 2021
in millions						
Net earnings	\$ 771	\$ 788	\$ 310	\$ 482	\$ 1,869	\$ 2,191
Gain on sale of timberlands	—	—	—	(32)	—	(32)
Loss on debt extinguishment ⁽¹⁾	207	—	—	—	207	—
Net earnings before special items⁽²⁾	\$ 978	\$ 788	\$ 310	\$ 450	\$ 2,076	\$ 2,159

	Q1	Q2	Q3		Year-to-Date	
	March 31, 2022	June 30, 2022	Sept 30, 2022	Sept 30, 2021	Sept 30, 2022	Sept 30, 2021
Net earnings per diluted share	\$ 1.03	\$ 1.06	\$ 0.42	\$ 0.64	\$ 2.51	\$ 2.92
Gain on sale of timberlands	—	—	—	(0.04)	—	(0.04)
Loss on debt extinguishment ⁽¹⁾	0.28	—	—	—	0.28	—
Net earnings per diluted share before special items⁽²⁾	\$ 1.31	\$ 1.06	\$ 0.42	\$ 0.60	\$ 2.79	\$ 2.88

⁽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

	Q1	Q2	Q3		Year-to-Date	
	March 31, 2022	June 30, 2022	Sept 30, 2022	Sept 30, 2021	Sept 30, 2022	Sept 30, 2021
in millions						
Pension and post-employment costs:						
Pension and post-employment service costs	\$ 10	\$ 8	\$ 9	\$ 11	\$ 27	\$ 32
Non-operating pension and other post-employment benefit costs	15	11	12	5	38	14
Total company pension and post-employment costs	\$ 25	\$ 19	\$ 21	\$ 16	\$ 65	\$ 46

Weyerhaeuser Company

Q3.2022 Analyst Package

Preliminary results (unaudited)

Consolidated Balance Sheet

in millions	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2021
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,205	\$ 1,723	\$ 1,920	\$ 1,879
Receivables, net	745	547	425	507
Receivables for taxes	8	6	15	24
Inventories	611	571	542	520
Prepaid expenses and other current assets	206	165	146	205
Total current assets	2,775	3,012	3,048	3,135
Property and equipment, net	2,026	2,000	1,997	2,057
Construction in progress	203	233	245	175
Timber and timberlands at cost, less depletion	11,469	11,706	11,681	11,510
Minerals and mineral rights, less depletion	252	248	245	255
Deferred tax assets	15	11	10	17
Other assets	376	370	364	503
Total assets	\$ 17,116	\$ 17,580	\$ 17,590	\$ 17,652
LIABILITIES AND EQUITY				
Current liabilities:				
Current maturities of long-term debt	\$ —	\$ —	\$ 118	\$ —
Accounts payable	310	283	272	281
Accrued liabilities	674	658	664	673
Total current liabilities	984	941	1,054	954
Long-term debt, net	5,053	5,053	4,935	5,099
Deferred tax liabilities	66	83	89	46
Deferred pension and other post-employment benefits	432	347	335	440
Other liabilities	344	340	339	346
Total liabilities	6,879	6,764	6,752	6,885
Total equity	10,237	10,816	10,838	10,767
Total liabilities and equity	\$ 17,116	\$ 17,580	\$ 17,590	\$ 17,652

Weyerhaeuser Company

Q3.2022 Analyst Package

Preliminary results (unaudited)

Consolidated Statement of Cash Flows

in millions	Q1	Q2	Q3		Year-to-Date	
	March 31, 2022	June 30, 2022	Sept 30, 2022	Sept 30, 2021	Sept 30, 2022	Sept 30, 2021
Cash flows from operations:						
Net earnings	\$ 771	\$ 788	\$ 310	\$ 482	\$ 1,869	\$ 2,191
Noncash charges (credits) to earnings:						
Depreciation, depletion and amortization	122	119	119	118	360	356
Basis of real estate sold	31	39	7	11	77	62
Deferred income taxes, net	14	—	3	(3)	17	16
Pension and other post-employment benefits	25	19	21	16	65	46
Share-based compensation expense	8	9	8	8	25	23
Gain on sale of timberlands	—	—	—	(32)	—	(32)
Loss on debt extinguishment	276	—	—	—	276	—
Change in:						
Receivables, net	(238)	198	121	205	81	(47)
Receivables and payables for taxes	110	(83)	(12)	(143)	15	93
Inventories	(87)	29	28	(4)	(30)	(55)
Prepaid expenses and other current assets	(1)	(2)	(4)	(20)	(7)	(21)
Accounts payable and accrued liabilities	(62)	47	(8)	51	(23)	116
Pension and post-employment benefit contributions and payments	(4)	(10)	(5)	(23)	(19)	(56)
Other	(8)	(7)	(26)	(7)	(41)	(27)
Net cash from operations	\$ 957	\$ 1,146	\$ 562	\$ 659	\$ 2,665	\$ 2,665
Cash flows from investing activities:						
Capital expenditures for property and equipment	\$ (50)	\$ (71)	\$ (86)	\$ (91)	\$ (207)	\$ (184)
Capital expenditures for timberlands reforestation	(20)	(10)	(8)	(7)	(38)	(39)
Acquisition of timberlands	(18)	(265)	(3)	—	(286)	(149)
Proceeds from sale of timberlands	—	—	—	261	—	261
Other	1	—	—	2	1	3
Net cash from investing activities	\$ (87)	\$ (346)	\$ (97)	\$ 165	\$ (530)	\$ (108)
Cash flows from financing activities:						
Cash dividends on common shares	\$ (1,218)	\$ (134)	\$ (133)	\$ (127)	\$ (1,485)	\$ (382)
Net proceeds from issuance of long-term debt	881	—	—	—	881	—
Payments on long-term debt	(1,203)	—	—	—	(1,203)	(225)
Proceeds from exercise of stock options	12	2	1	1	15	46
Repurchases of common shares	(118)	(141)	(143)	(26)	(402)	(26)
Other	(18)	(1)	(1)	(3)	(20)	(19)
Net cash from financing activities	\$ (1,664)	\$ (274)	\$ (276)	\$ (155)	\$ (2,214)	\$ (606)
Net change in cash, cash equivalents and restricted cash	\$ (794)	\$ 526	\$ 189	\$ 669	\$ (79)	\$ 1,951
Cash, cash equivalents and restricted cash at beginning of period	1,999	1,205	1,731	1,777	1,999	495
Cash, cash equivalents and restricted cash at end of period	\$ 1,205	\$ 1,731	\$ 1,920	\$ 2,446	\$ 1,920	\$ 2,446
Cash paid during the period for:						
Interest, net of amounts capitalized	\$ 78	\$ 71	\$ 62	\$ 83	\$ 211	\$ 237
Income taxes, net of refunds	\$ 85	\$ 269	\$ 92	\$ 231	\$ 446	\$ 494

Q3.2022 Analyst Package

Preliminary results (unaudited)

Segment Statement of Operations

in millions	Q1.2022	Q2.2022	Q3.2022	Q3.2021	YTD.2022	YTD.2021
Sales to unaffiliated customers	\$ 465	\$ 515	\$ 441	\$ 423	\$ 1,421	\$ 1,207
Intersegment sales	161	156	133	129	450	399
Total net sales	626	671	574	552	1,871	1,606
Costs of sales	423	495	442	428	1,360	1,218
Gross margin	203	176	132	124	511	388
Selling expenses	—	—	1	1	1	1
General and administrative expenses	24	24	25	23	73	69
Other operating income, net	(3)	(1)	(1)	(33)	(5)	(36)
Operating income and Net contribution to earnings	\$ 182	\$ 153	\$ 107	\$ 133	\$ 442	\$ 354

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

in millions	Q1.2022	Q2.2022	Q3.2022	Q3.2021	YTD.2022	YTD.2021
Operating income	\$ 182	\$ 153	\$ 107	\$ 133	\$ 442	\$ 354
Depreciation, depletion and amortization	65	66	61	64	192	195
Special items	—	—	—	(32)	—	(32)
Adjusted EBITDA⁽¹⁾	\$ 247	\$ 219	\$ 168	\$ 165	\$ 634	\$ 517

⁽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	Q1.2022	Q2.2022	Q3.2022	Q3.2021	YTD.2022	YTD.2021
Gain on sale of timberlands	\$ —	\$ —	\$ —	\$ 32	\$ —	\$ 32

Selected Segment Items

in millions	Q1.2022	Q2.2022	Q3.2022	Q3.2021	YTD.2022	YTD.2021
Total decrease (increase) in working capital ⁽²⁾	\$ (34)	\$ 57	\$ 14	\$ 1	\$ 37	\$ (10)
Cash spent for capital expenditures ⁽³⁾	\$ (30)	\$ (23)	\$ (22)	\$ (27)	\$ (75)	\$ (76)

⁽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⁾

		Q1.2022	Q2.2022	Q3.2022	Q3.2021	YTD.2022	YTD.2021
Third Party Net Sales (millions)	Delivered logs:						
	West	\$ 259	\$ 308	\$ 224	\$ 226	\$ 791	\$ 649
	South	154	160	166	153	480	429
	North	15	10	15	13	40	38
	Total delivered logs	428	478	405	392	1,311	1,116
	Stumpage and pay-as-cut timber	9	11	10	9	30	22
	Recreational and other lease revenue	17	16	18	16	51	48
	Other revenue	11	10	8	6	29	21
	Total	\$ 465	\$ 515	\$ 441	\$ 423	\$ 1,421	\$ 1,207
Delivered Logs	West	\$ 161.29	\$ 173.35	\$ 158.59	\$ 145.64	\$ 164.97	\$ 138.06
Third Party Sales	South	\$ 37.15	\$ 38.47	\$ 38.59	\$ 35.56	\$ 38.08	\$ 35.08
Realizations (per ton)	North	\$ 72.79	\$ 83.93	\$ 83.84	\$ 64.93	\$ 79.26	\$ 65.97
Delivered Logs	West	1,604	1,778	1,411	1,555	4,793	4,702
Third Party Sales	South	4,135	4,167	4,310	4,304	12,612	12,236
Volumes (tons, thousands)	North	210	118	177	195	505	571
Fee Harvest Volumes (tons, thousands)	West	2,240	2,085	1,760	1,930	6,085	6,130
	South	5,842	6,159	6,112	5,912	18,113	17,144
	North	278	180	245	264	703	800

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

Q3.2022 Analyst Package

Preliminary results (unaudited)

Segment Statement of Operations

in millions	Q1.2022	Q2.2022	Q3.2022	Q3.2021	YTD.2022	YTD.2021
Net sales	\$ 128	\$ 117	\$ 68	\$ 69	\$ 313	\$ 285
Costs of sales	41	45	14	18	100	93
Gross margin	87	72	54	51	213	192
General and administrative expenses	6	7	6	6	19	18
Operating income and Net contribution to earnings	\$ 81	\$ 65	\$ 48	\$ 45	\$ 194	\$ 174

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

in millions	Q1.2022	Q2.2022	Q3.2022	Q3.2021	YTD.2022	YTD.2021
Operating income	\$ 81	\$ 65	\$ 48	\$ 45	\$ 194	\$ 174
Depreciation, depletion and amortization	4	3	5	4	12	11
Basis of real estate sold	31	39	7	11	77	62
Adjusted EBITDA⁽¹⁾	\$ 116	\$ 107	\$ 60	\$ 60	\$ 283	\$ 247

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

Selected Segment Items

in millions	Q1.2022	Q2.2022	Q3.2022	Q3.2021	YTD.2022	YTD.2021
Cash spent for capital expenditures	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

Segment Statistics

		Q1.2022	Q2.2022	Q3.2022	Q3.2021	YTD.2022	YTD.2021
Net Sales (millions)	Real Estate	\$ 97	\$ 90	\$ 30	\$ 45	\$ 217	\$ 212
	Energy and Natural Resources	31	27	38	24	96	73
	Total	<u>\$ 128</u>	<u>\$ 117</u>	<u>\$ 68</u>	<u>\$ 69</u>	<u>\$ 313</u>	<u>\$ 285</u>
Acres Sold	Real Estate	24,126	26,906	5,014	11,037	56,046	48,907
Price per Acre	Real Estate	\$ 3,785	\$ 3,215	\$ 5,046	\$ 4,005	\$ 3,624	\$ 3,632
Basis as a Percent of Real Estate Net Sales	Real Estate	32%	43%	23%	24%	35%	29%

Q3.2022 Analyst Package

Preliminary results (unaudited)

Segment Statement of Operations

in millions	Q1.2022	Q2.2022	Q3.2022	Q3.2021	YTD.2022	YTD.2021
Net sales	\$ 2,519	\$ 2,341	\$ 1,767	\$ 1,853	\$ 6,627	\$ 6,503
Costs of sales	1,276	1,414	1,360	1,270	4,050	3,623
Gross margin	1,243	927	407	583	2,577	2,880
Selling expenses	21	21	22	21	64	61
General and administrative expenses	35	35	36	34	106	104
Other operating costs, net	5	8	5	11	18	20
Operating income and Net contribution to earnings	\$ 1,182	\$ 863	\$ 344	\$ 517	\$ 2,389	\$ 2,695

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

in millions	Q1.2022	Q2.2022	Q3.2022	Q3.2021	YTD.2022	YTD.2021
Operating income	\$ 1,182	\$ 863	\$ 344	\$ 517	\$ 2,389	\$ 2,695
Depreciation, depletion and amortization	51	49	51	48	151	145
Adjusted EBITDA⁽¹⁾	\$ 1,233	\$ 912	\$ 395	\$ 565	\$ 2,540	\$ 2,840

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

Selected Segment Items

in millions	Q1.2022	Q2.2022	Q3.2022	Q3.2021	YTD.2022	YTD.2021
Total decrease (increase) in working capital ⁽²⁾	\$ (371)	\$ 205	\$ 136	\$ 249	\$ (30)	\$ (12)
Cash spent for capital expenditures	\$ (39)	\$ (56)	\$ (68)	\$ (70)	\$ (163)	\$ (146)

⁽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		Q1.2022	Q2.2022	Q3.2022	Q3.2021	YTD.2022	YTD.2021
Structural Lumber (volumes presented in board feet)	Third party net sales	\$ 1,206	\$ 998	\$ 676	\$ 681	\$ 2,880	\$ 3,020
	Third party sales realizations	\$ 1,041	\$ 776	\$ 556	\$ 516	\$ 786	\$ 812
	Third party sales volumes ⁽³⁾	1,157	1,289	1,216	1,320	3,662	3,717
	Production volumes	1,203	1,232	1,140	1,222	3,575	3,667
Oriented Strand Board (volumes presented in square feet 3/8")	Third party net sales	\$ 564	\$ 497	\$ 287	\$ 470	\$ 1,348	\$ 1,513
	Third party sales realizations	\$ 787	\$ 676	\$ 401	\$ 691	\$ 622	\$ 735
	Third party sales volumes ⁽³⁾	717	735	715	681	2,167	2,058
	Production volumes	739	758	735	715	2,232	2,140
Engineered Solid Section (volumes presented in cubic feet)	Third party net sales	\$ 196	\$ 247	\$ 233	\$ 183	\$ 676	\$ 491
	Third party sales realizations	\$ 3,433	\$ 3,863	\$ 3,946	\$ 3,092	\$ 3,754	\$ 2,628
	Third party sales volumes ⁽³⁾	5.7	6.4	5.9	5.9	18.0	18.7
	Production volumes	5.7	6.4	6.0	5.8	18.1	18.0
Engineered I-joists (volumes presented in lineal feet)	Third party net sales	\$ 137	\$ 168	\$ 166	\$ 128	\$ 471	\$ 315
	Third party sales realizations	\$ 2,969	\$ 3,432	\$ 3,525	\$ 2,600	\$ 3,312	\$ 2,119
	Third party sales volumes ⁽³⁾	46	49	47	49	142	149
	Production volumes	44	50	47	49	141	144
Softwood Plywood (volumes presented in square feet 3/8")	Third party net sales	\$ 58	\$ 53	\$ 47	\$ 45	\$ 158	\$ 170
	Third party sales realizations	\$ 783	\$ 746	\$ 632	\$ 653	\$ 720	\$ 710
	Third party sales volumes ⁽³⁾	75	70	74	69	219	240
	Production volumes	66	67	64	61	197	203
Medium Density Fiberboard (volumes presented in square feet 3/4")	Third party net sales	\$ 48	\$ 53	\$ 50	\$ 52	\$ 151	\$ 143
	Third party sales realizations	\$ 1,082	\$ 1,174	\$ 1,274	\$ 943	\$ 1,173	\$ 885
	Third party sales volumes ⁽³⁾	44	45	40	55	129	162
	Production volumes	44	48	38	55	130	163

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

Q3.2022 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	Q1.2022	Q2.2022	Q3.2022	Q3.2021	YTD.2022	YTD.2021
Unallocated corporate function and variable compensation expense	\$ (31)	\$ (36)	\$ (36)	\$ (33)	\$ (103)	\$ (94)
Liability classified share-based compensation	1	2	2	(1)	5	(2)
Foreign exchange gain	—	3	9	5	12	2
Elimination of intersegment profit in inventory and LIFO	(59)	18	2	12	(39)	(33)
Other, net	(12)	(21)	(19)	(29)	(52)	(62)
Operating loss	(101)	(34)	(42)	(46)	(177)	(189)
Non-operating pension and other post-employment benefit costs	(15)	(11)	(12)	(5)	(38)	(14)
Interest income and other	(1)	1	9	1	9	4
Net charge to earnings	\$ (117)	\$ (44)	\$ (45)	\$ (50)	\$ (206)	\$ (199)

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

in millions	Q1.2022	Q2.2022	Q3.2022	Q3.2021	YTD.2022	YTD.2021
Operating loss	\$ (101)	\$ (34)	\$ (42)	\$ (46)	\$ (177)	\$ (189)
Depreciation, depletion and amortization	2	1	2	2	5	5
Adjusted EBITDA⁽¹⁾	\$ (99)	\$ (33)	\$ (40)	\$ (44)	\$ (172)	\$ (184)

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

Unallocated Selected Items

in millions	Q1.2022	Q2.2022	Q3.2022	Q3.2021	YTD.2022	YTD.2021
Cash spent for capital expenditures	\$ (1)	\$ (2)	\$ (4)	\$ (1)	\$ (7)	\$ (1)